



# ***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.

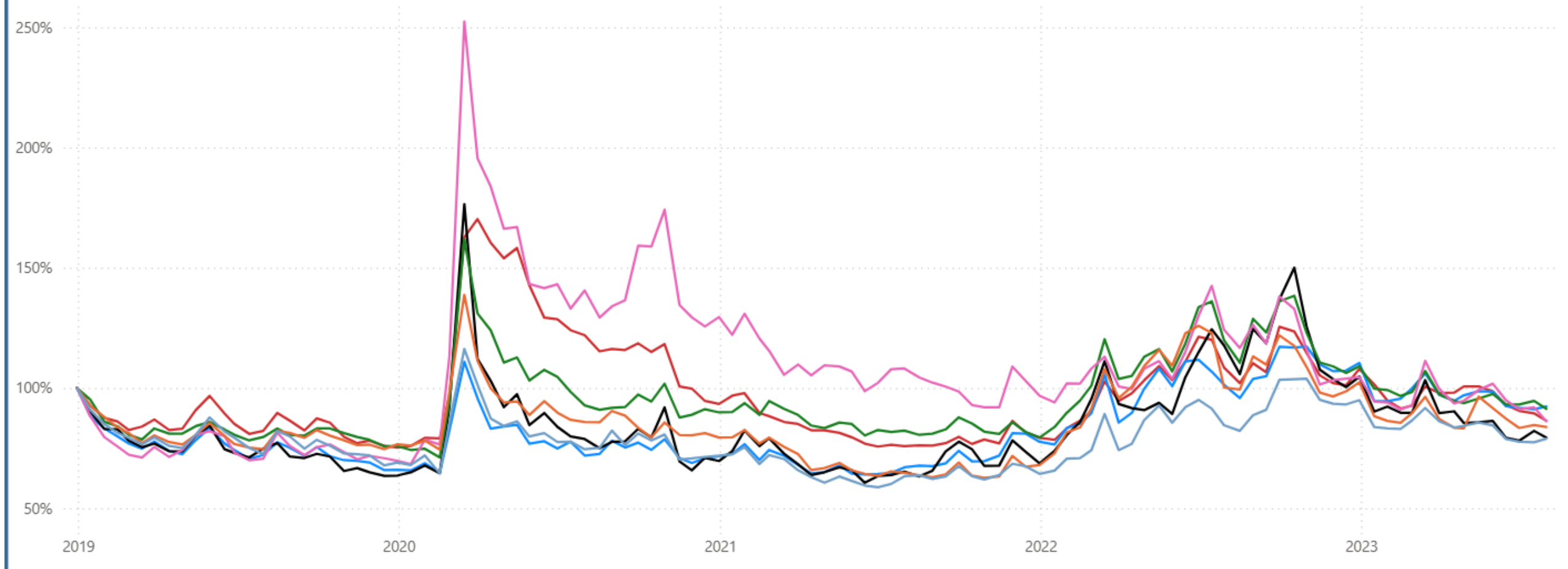
31/12/2018 is the starting point of the monitoring activity, with a baseline value of 100%, across six key sectors: Energy, Oil & Gas, Consumer Goods, Software, Technology, and Automotive.

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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**

**86%✓**

vs Base Date: 100%  
(-13,63%)

**Consumer Goods**

**92%✓**

vs Base Date: 100%  
(-7,69%)

**Energy**

**91%✓**

vs Base Date: 100% (-8,63%)

**Oil & Gas**

**86%✓**

vs Base Date: 100%  
(-13,81%)

**Software**

**84%✓**

vs Base Date: 100%  
(-16,20%)

**Technology**

**79%✓**

vs Base Date: 100%  
(-21,06%)

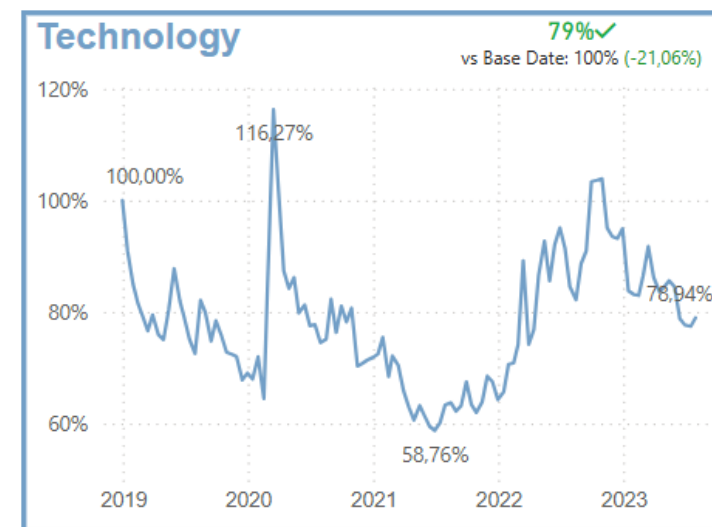
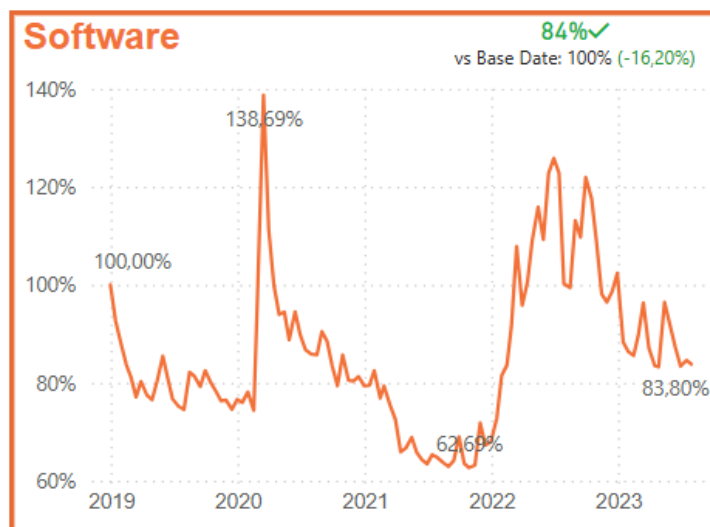
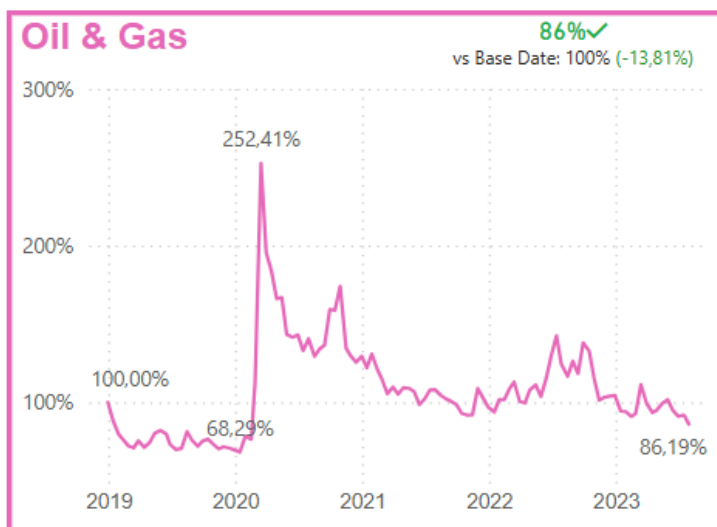
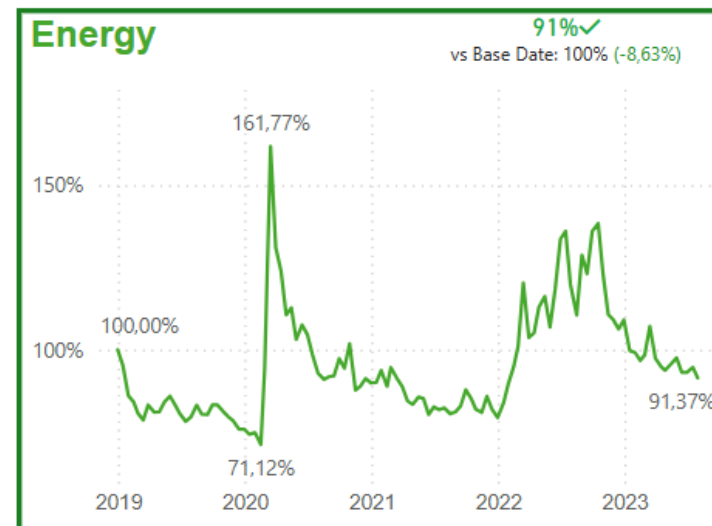
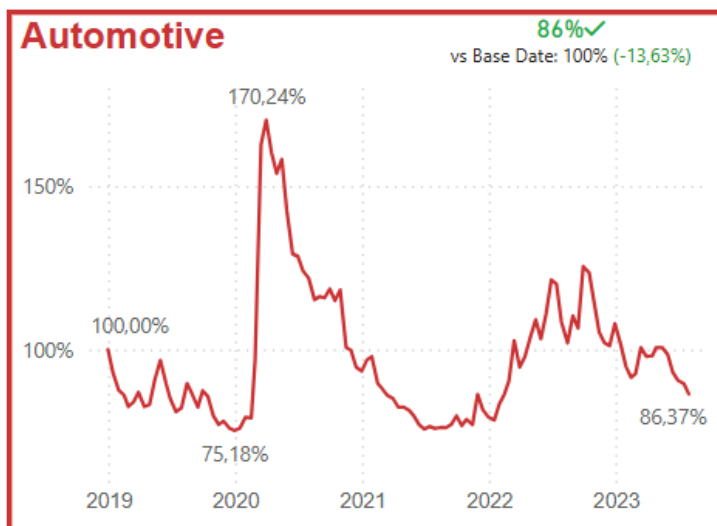
**Enel**

**79%✓**

vs Base Date: 100%  
(-20,70%)

# Perceived Risk Index©

Measuring the risk as perceived by financial markets – by Sector @ 31 Jul 2023



# Perceived Risk Index©

## Comments

### Full month trend:

After a **first half** marked by **gradual stabilization**, July 2023 showed a more **mixed dynamic** for the PRI©.

In the **first half of the month**, a **broad-based worsening** was observed across peers, driven by a rise in implied volatility, affecting also Enel's PRI©, which increased compared to end-June levels (+4p.p.). However, some peers benefited from company-specific developments that temporarily improved their perceived risk profile.

In the **second half of July**, a **general recovery** in PRI© levels took place, including for Enel (-3p.p.), mainly due to a decline in its CDS spread.

Despite this improvement, stronger momentum among other companies, driven by favorable internal factors, led to slight shifts in relative positioning, with Enel ending the month in **third position**.