



***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.

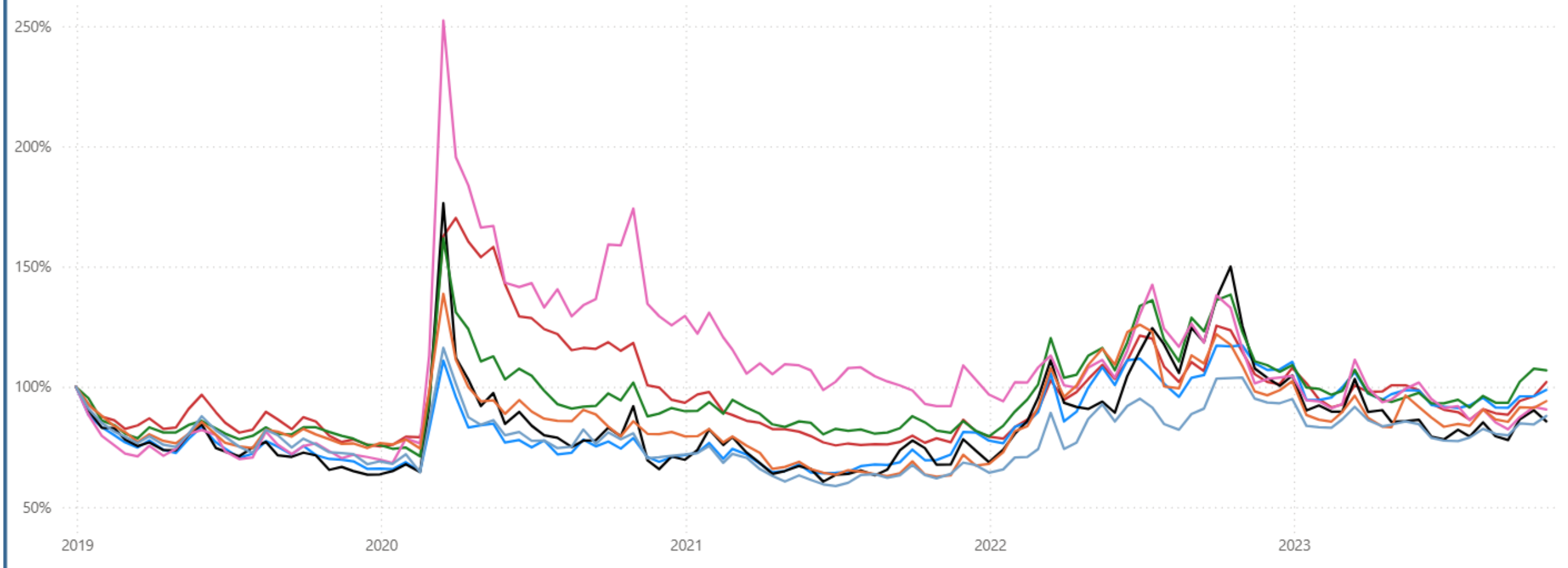
31/12/2018 is the starting point of the monitoring activity, with a baseline value of 100%, across six key sectors: Energy, Oil & Gas, Consumer Goods, Software, Technology, and Automotive.

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**

**102%!**

vs Base Date: 100%

(+1,99%)

**Consumer Goods**

**99%✓**

vs Base Date: 100%

(-1,31%)

**Energy**

**107%!**

vs Base Date: 100%

(+6,85%)

**Oil & Gas**

**91%✓**

vs Base Date: 100% (-9,40%)

**Software**

**94%✓**

vs Base Date: 100% (-5,94%)

**Technology**

**88%✓**

vs Base Date: 100%

(-12,10%)

**Enel**

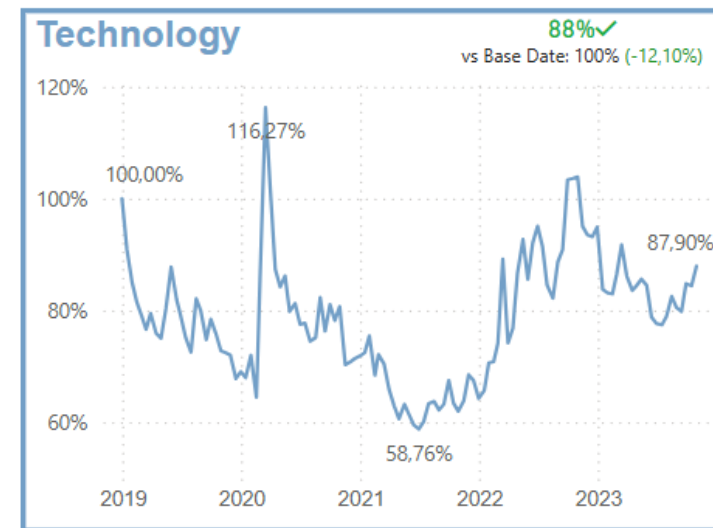
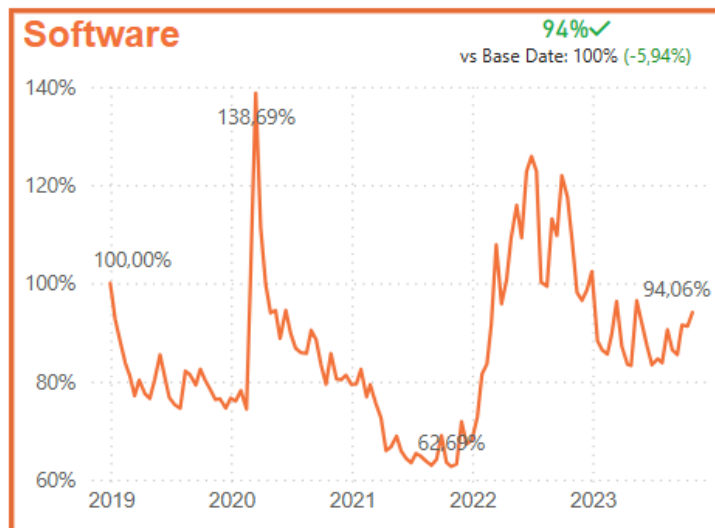
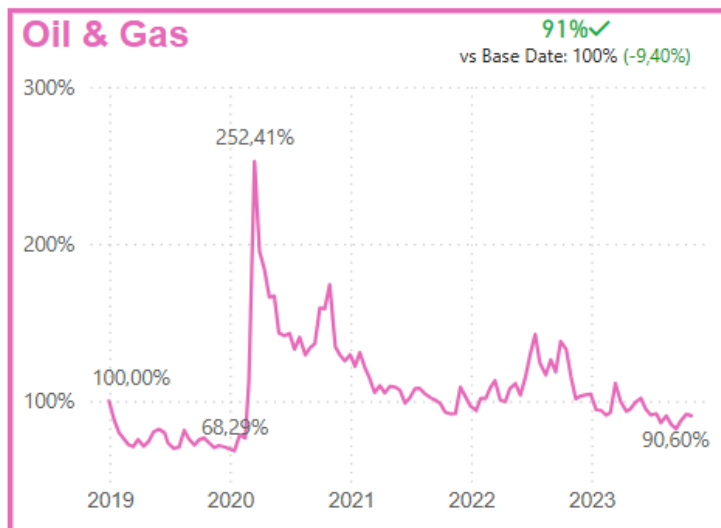
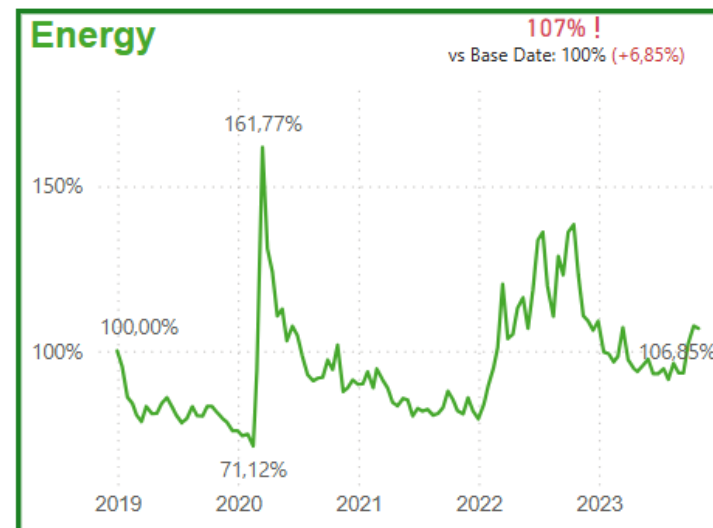
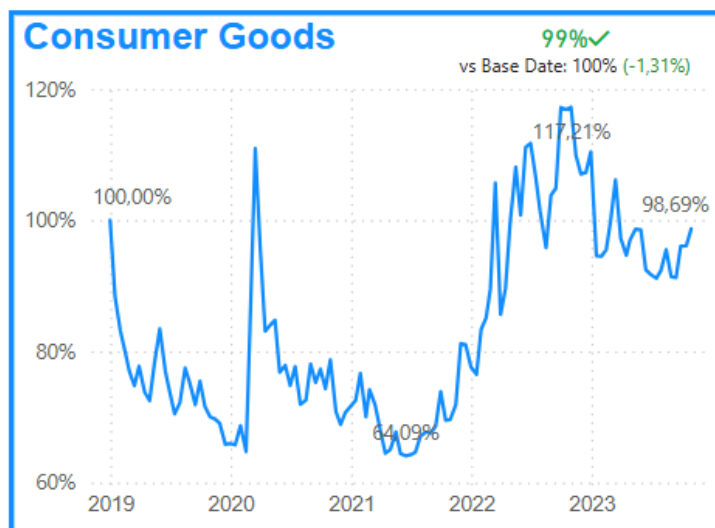
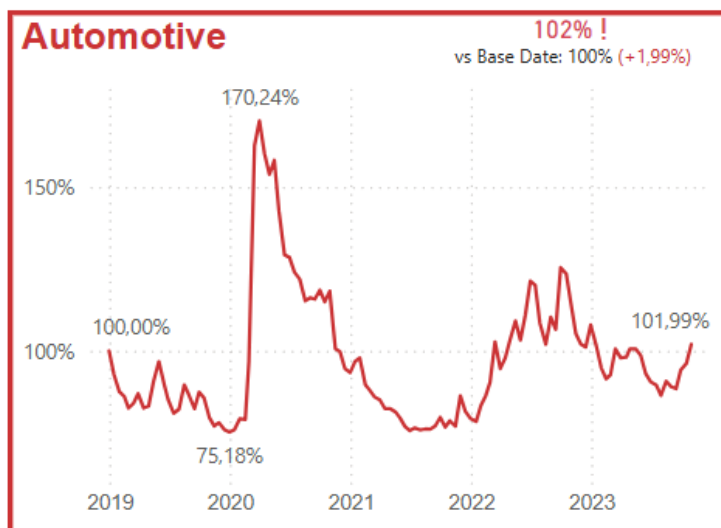
**86%✓**

vs Base Date: 100%

(-14,36%)

# Perceived Risk Index©

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



# Perceived Risk Index©

## Comments

### Full month trend:

October 2023 showed a **volatile trend** for Enel's PRI©, consistent with the general performance of sector peers.

In the **first half of the month**, the indicator **worsened**, causing Enel to drop to **fourth place** in the ranking. This deterioration was mainly driven by an increase in CDS spreads and implied volatility, within a rising interest rate environment that negatively impacted the entire utility sector. Additionally, **market anticipation** around the new industrial plan contributed to heightened uncertainty regarding the stock.

In the **second half of October**, conditions **improved** thanks to a decline in implied volatility, which supported a reduction in the PRI©. Enel consequently recovered two positions, finishing the month in **second place** among peers. This improvement occurred during a **generalized recovery** in PRI© levels, with only a few exceptions.

Top and bottom performers remained relatively stable, with some companies continuing to face structural challenges that negatively affected their risk profiles.