



Perceived Risk Index[©]
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.

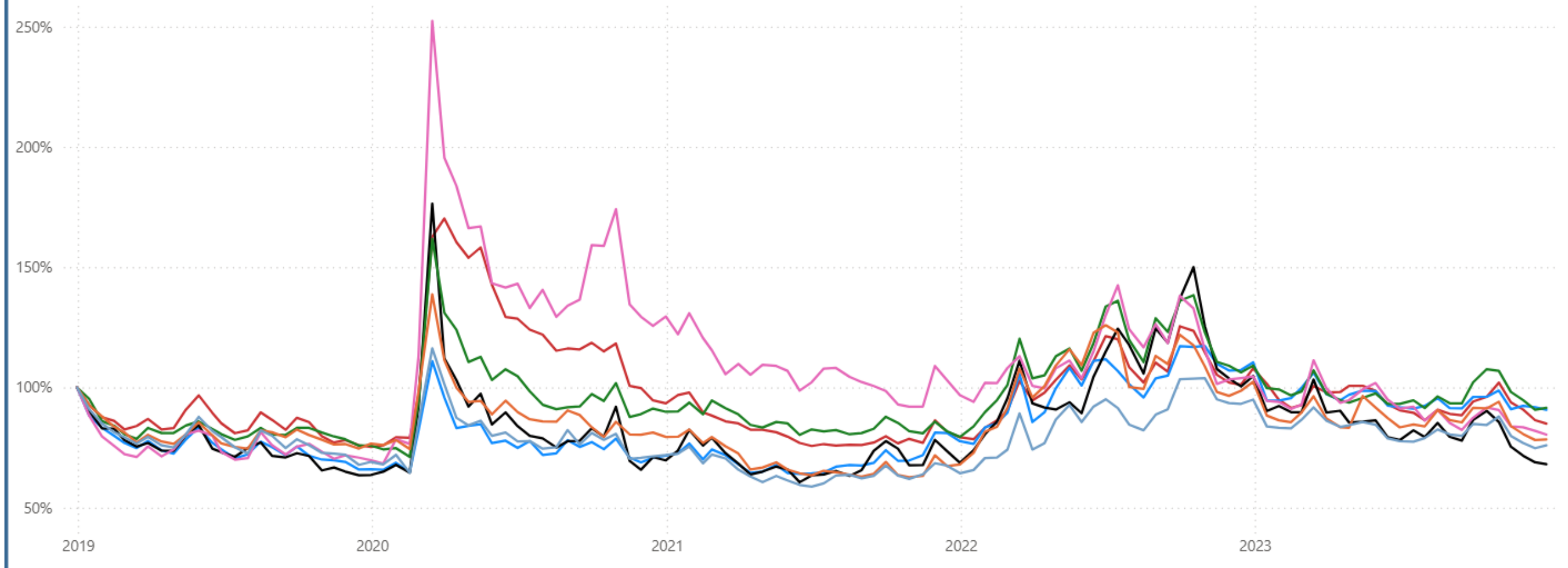
31/12/2018 is the starting point of the monitoring activity, with a baseline value of 100%, across six key sectors: Energy, Oil & Gas, Consumer Goods, Software, Technology, and Automotive.

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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

85%✓

vs Base Date: 100%
(-15,07%)

Consumer Goods

91%✓

vs Base Date: 100%
(-9,31%)

Energy

91%✓

vs Base Date: 100% (-8,53%)

Oil & Gas

80%✓

vs Base Date: 100%
(-19,62%)

Software

78%✓

vs Base Date: 100%
(-21,66%)

Technology

76%✓

vs Base Date: 100%
(-24,03%)

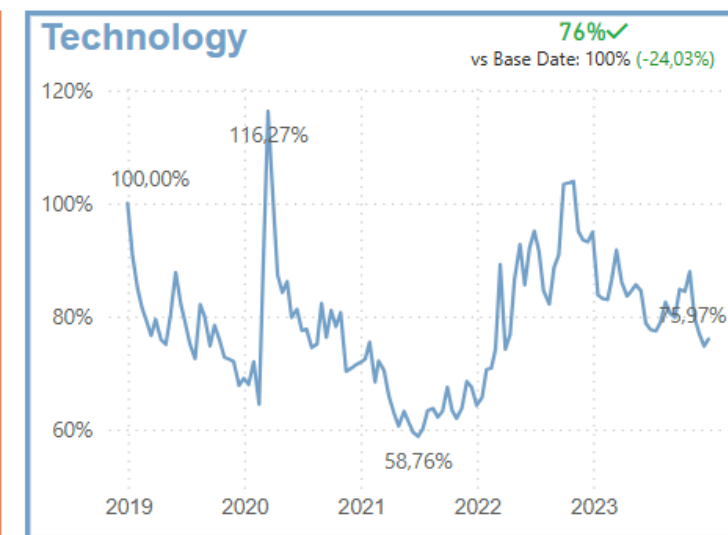
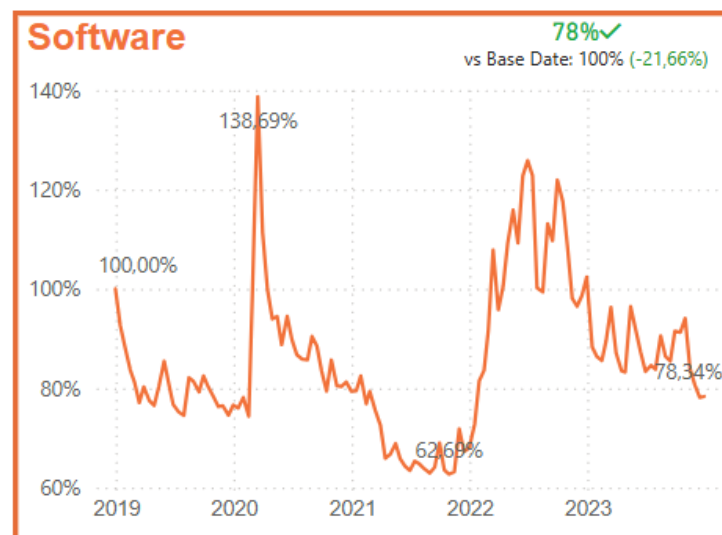
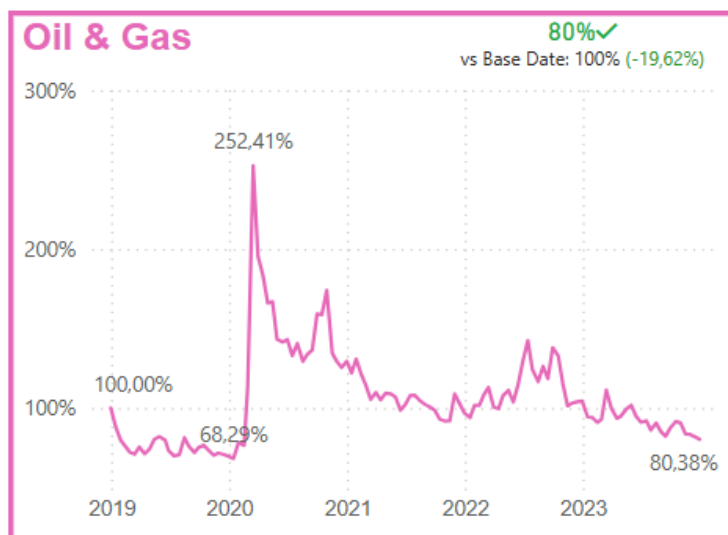
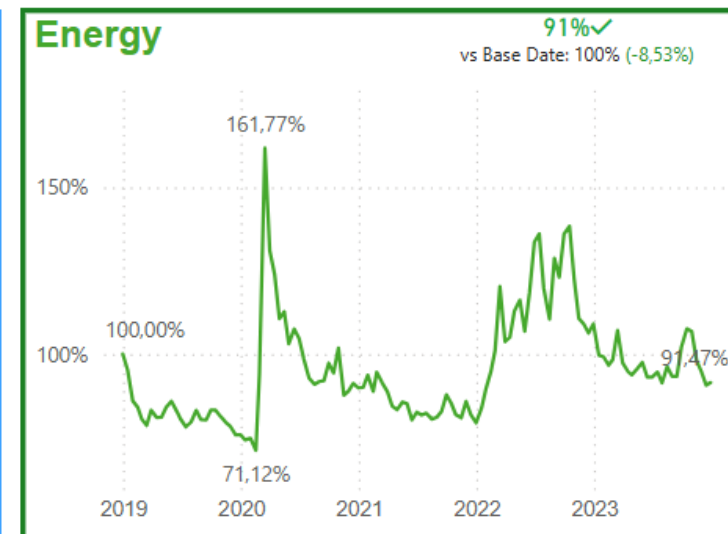
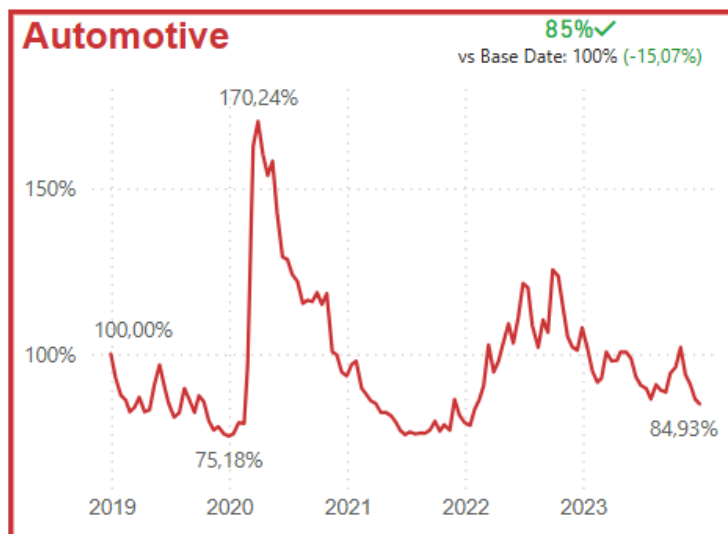
Enel

68%✓

vs Base Date: 100%
(-31,90%)

Perceived Risk Index©

Measuring the risk as perceived by financial markets – by Sector @ 29 Dec 2023



Perceived Risk Index©

Comments

Full month trend:

In December, **Enel's PRI© continued to improve**, confirming its position as the **second-best performer** in the sector.

During the **first half** of the month, Enel's index improved mainly due to the reduction in the CDS spread. This improvement was **supported by the confirmation of the S&P rating**, announced on December 5th, which helped to strengthen investor confidence.

During the **second half** of December, the positive trend continued, with Enel PRI© further decreasing to **68%**, once again driven by the decrease in the CDS spread. Enel maintained its solid position as the **second-best performer**, with no changes compared to the first half of december.

Full year trend:

In 2023, Enel's **Perceived Risk Index© (PRI)** showed a trend of **progressive improvement** in a year characterized by a gradual stabilization of the macroeconomic environment, strengthening investor confidence, and solid financial resilience. After a **first quarter marked by volatility** and uncertainties (partly related to the European regulatory context and market fluctuations) Enel began a recovery path that consolidated in the following months thanks to a decline in the CDS spread, lower implied volatility, and strong stock performance.

Starting from the second quarter, the PRI© benefited from **better-than-expected quarterly results** and a more favorable sentiment, also following the appointment of the new CEO. Despite some periods of pressure, particularly in July and September (with temporary deterioration linked to bond market instability and the widening BTP-Bund spread), Enel managed to maintain a **competitive risk profile** compared to its peers.

In the **final quarter** of the year, the improvement became more pronounced, supported by **solid financial results**, the approval of the new **Industrial Plan**, and the confirmation of the **S&P rating**, which further strengthened market confidence. The PRI© thus dropped to **68% at the end of December**, the lowest value of the year, allowing Enel to close 2023 in **second position** in the sector ranking. Meanwhile, the bottom of the ranking was largely occupied by companies facing operational challenges and portfolio write-downs.