



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.

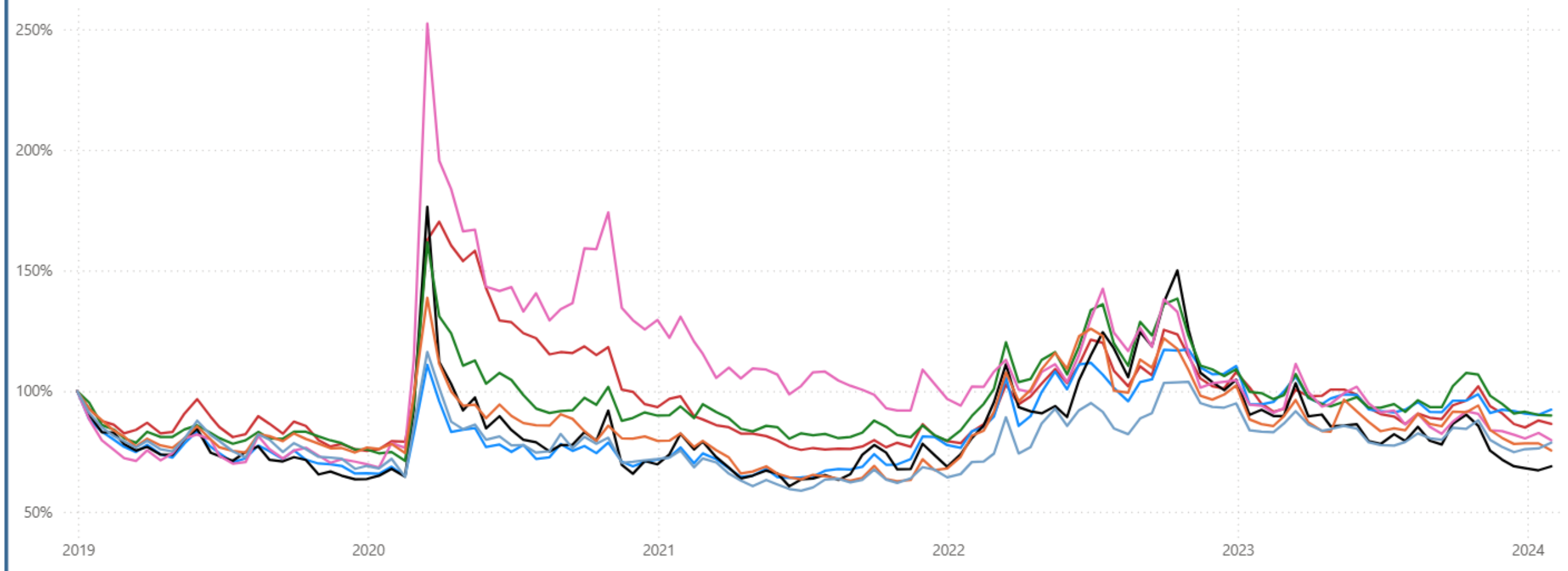
31/12/2018 is the starting point of the monitoring activity, with a baseline value of 100%, across six key sectors: Energy, Oil & Gas, Consumer Goods, Software, Technology, and Automotive.

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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

86%✓

vs Base Date: 100%
(-13,55%)

Consumer Goods

92%✓

vs Base Date: 100%
(-7,65%)

Energy

90%✓

vs Base Date: 100%
(-10,06%)

Oil & Gas

80%✓

vs Base Date: 100%
(-20,35%)

Software

75%✓

vs Base Date: 100%
(-24,62%)

Technology

79%✓

vs Base Date: 100%
(-21,35%)

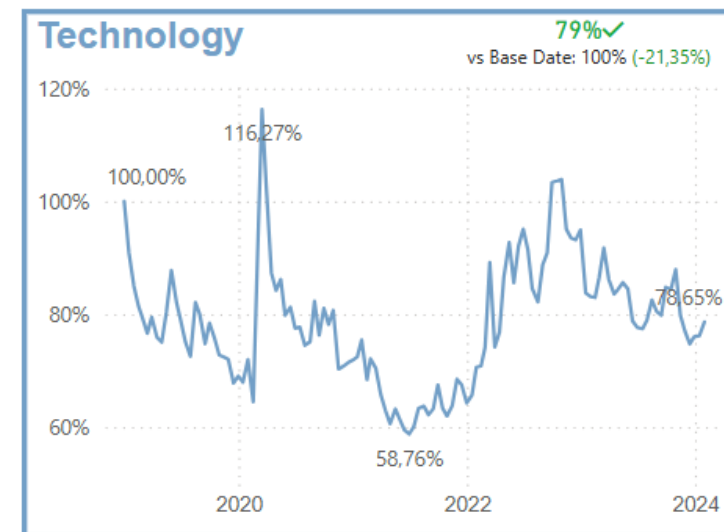
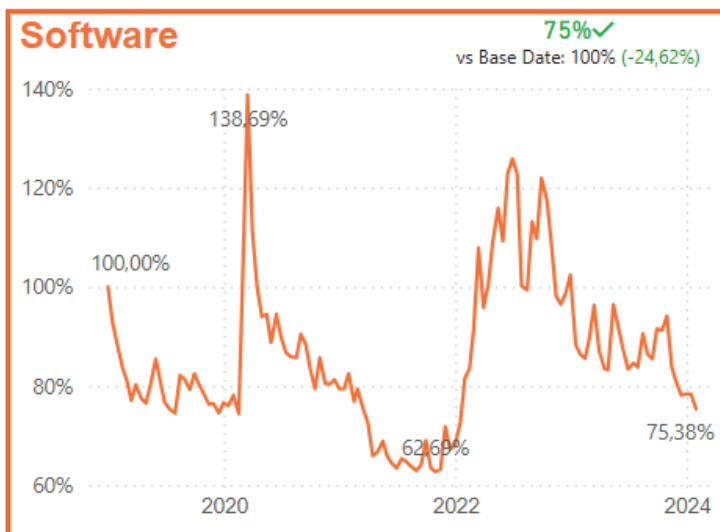
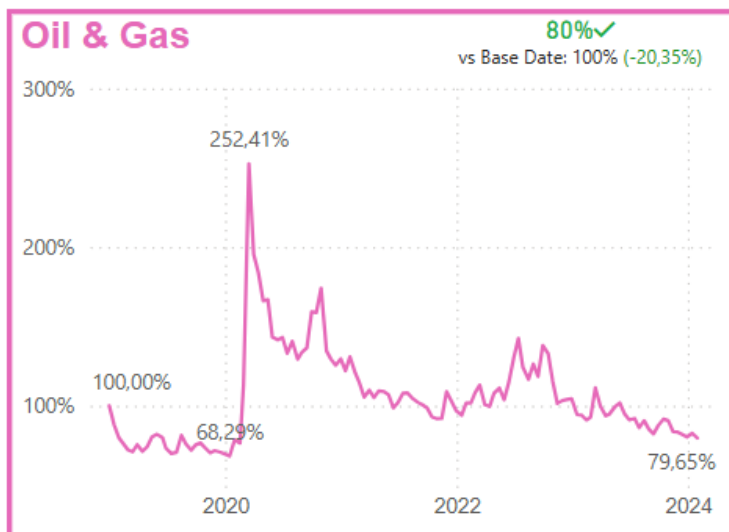
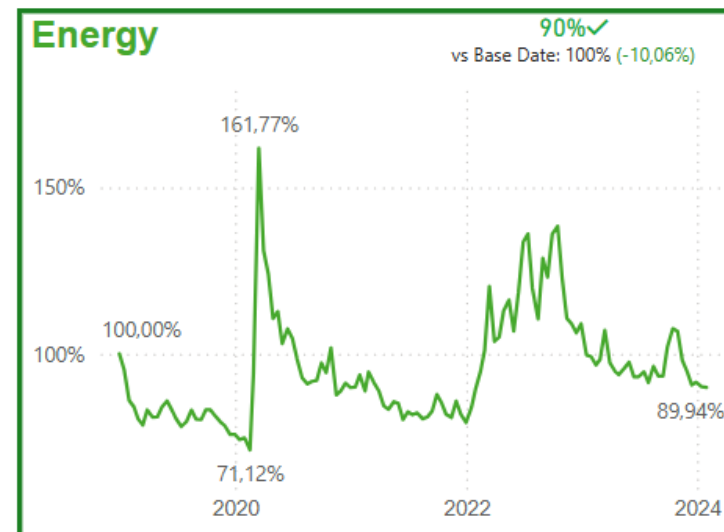
Enel

69%✓

vs Base Date: 100%
(-31,17%)

Perceived Risk Index©

Measuring the risk as perceived by financial markets – by Sector @ 31 Jan 2024



Perceived Risk Index©

Comments

Full month trend:

Between **November 2023 and January 2024**, Enel's **Perceived Risk Index© (PRI)** showed a general **improvement**, reflecting a gradual consolidation of the market's perception of the company's **credit strength**. This positive trend was supported by a backdrop of **macroeconomic stability** and by specific company-related factors, such as the **confirmation of credit ratings** by major rating agencies.

For **Enel**, in particular, the continued improvement in the PRI© from **late December to mid-January** followed an already improving trajectory in the **final quarter of 2023**. The **confirmation of the S&P rating** in December helped reinforce investor confidence, further supported by the **positive evaluation by AM Best** of the subsidiary **Enel ERRE**, in the context of the ongoing merger process.

Despite a slight deterioration in the **second half of January**, the month closed with the PRI© still at a **relatively low level** (69%) compared to end-2023 (68%), confirming Enel as the **second-best performer** within its peer group.