



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.

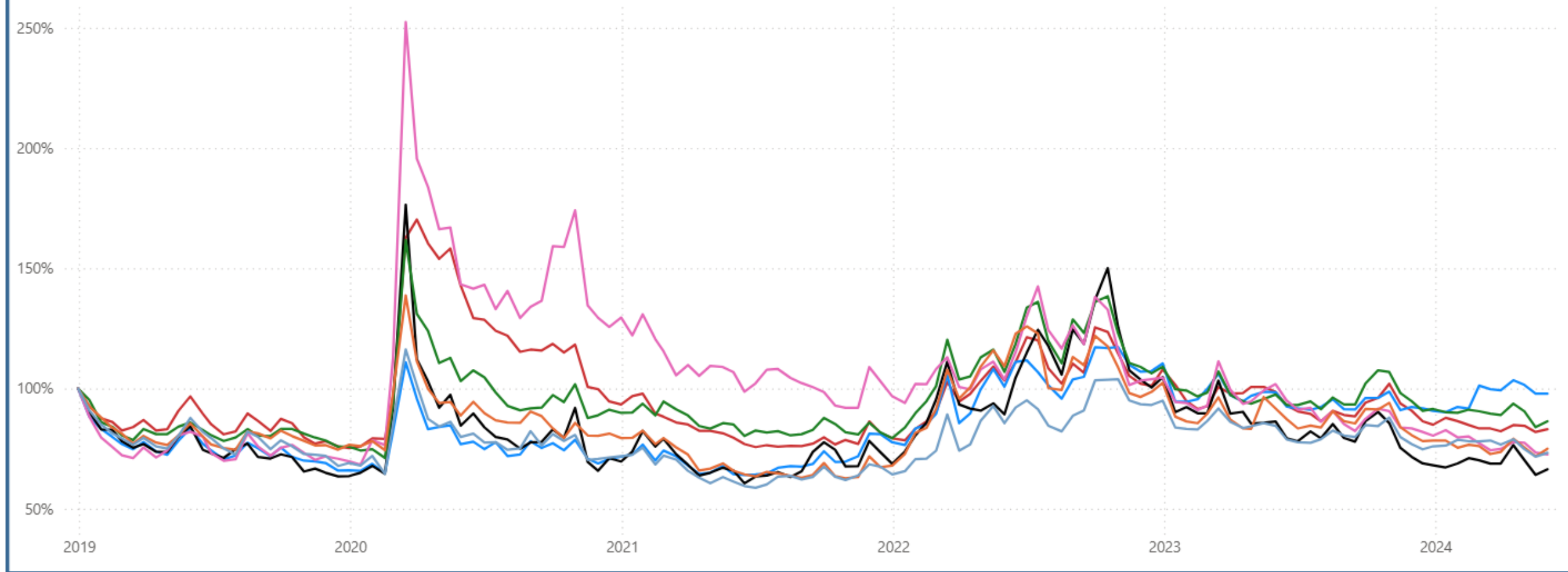
31/12/2018 is the starting point of the monitoring activity, with a baseline value of 100%, across six key sectors: Energy, Oil & Gas, Consumer Goods, Software, Technology, and Automotive.

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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

83%✓

vs Base Date: 100%
(-16,94%)

Consumer Goods

98%✓

vs Base Date: 100%
(-2,13%)

Energy

86%✓

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

Oil & Gas

73%✓

vs Base Date: 100%
(-27,39%)

Software

75%✓

vs Base Date: 100%
(-25,04%)

Technology

73%✓

vs Base Date: 100%
(-26,72%)

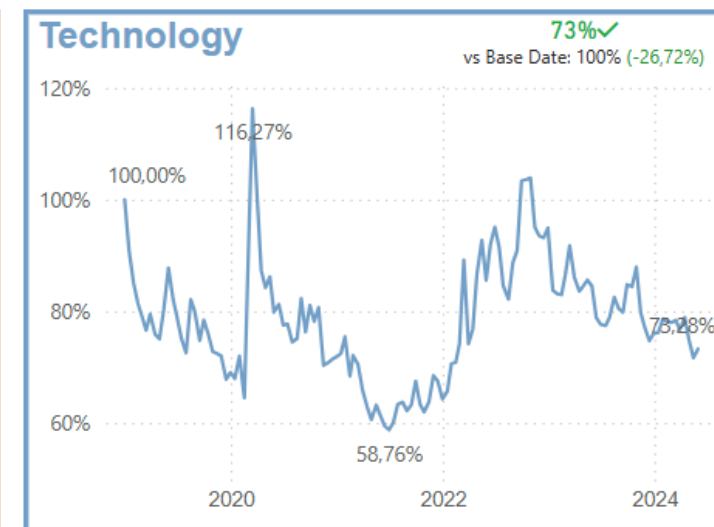
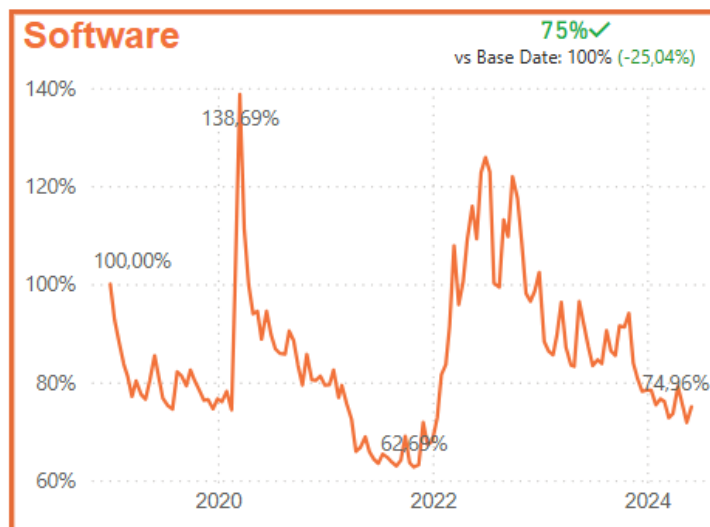
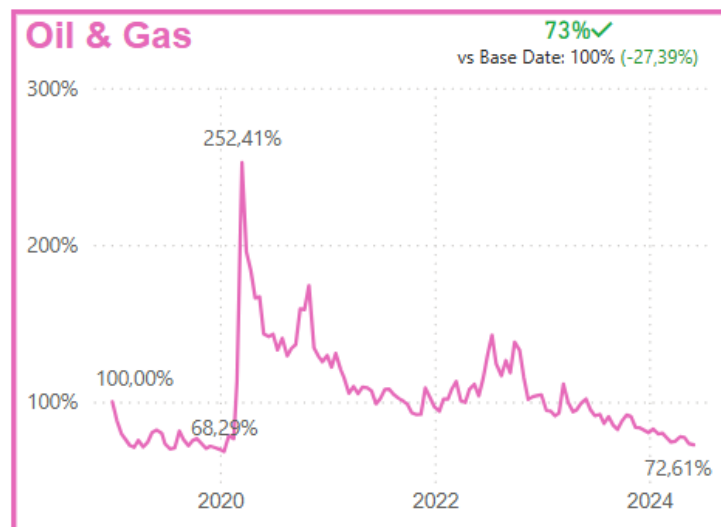
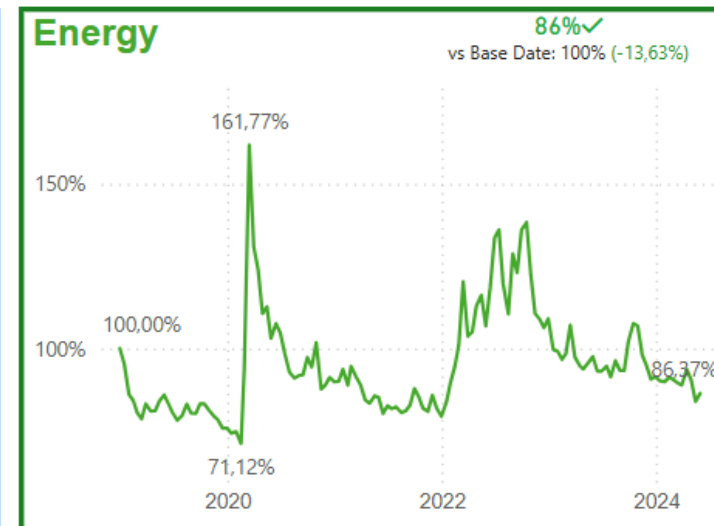
Enel

66%✓

vs Base Date: 100%
(-33,59%)

Perceived Risk Index©

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



Perceived Risk Index©

Comments

Full month trend:

In May 2024, the PRI© showed a **clear improvement** for Enel and, more broadly, across all its peers.

During the first half of the month, an **all-time low** was recorded (59,3%), reflecting increased market confidence. This positive trend reflects growing market confidence, driven by expectations of an imminent **interest rate cut by the ECB**, as well as the **Federal Reserve's decision to keep U.S. interest rates unchanged**, easing pressure on the risk profile of major companies.

In the **first half** of the month, Enel's PRI© showed a marked improvement, **dropping to 64%**, confirming the market's increasing confidence.

However, in the **second half** of May, there was a slight reversal of the trend, with a **modest rise** in the PRI© by the end of the month, mainly influenced by a rise in implied volatility and some tensions in **credit markets**.

Overall, May proved to be a **positive month** for Enel's perceived risk profile, with the company **firmly maintaining its position as the second-best performer**.