



***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.

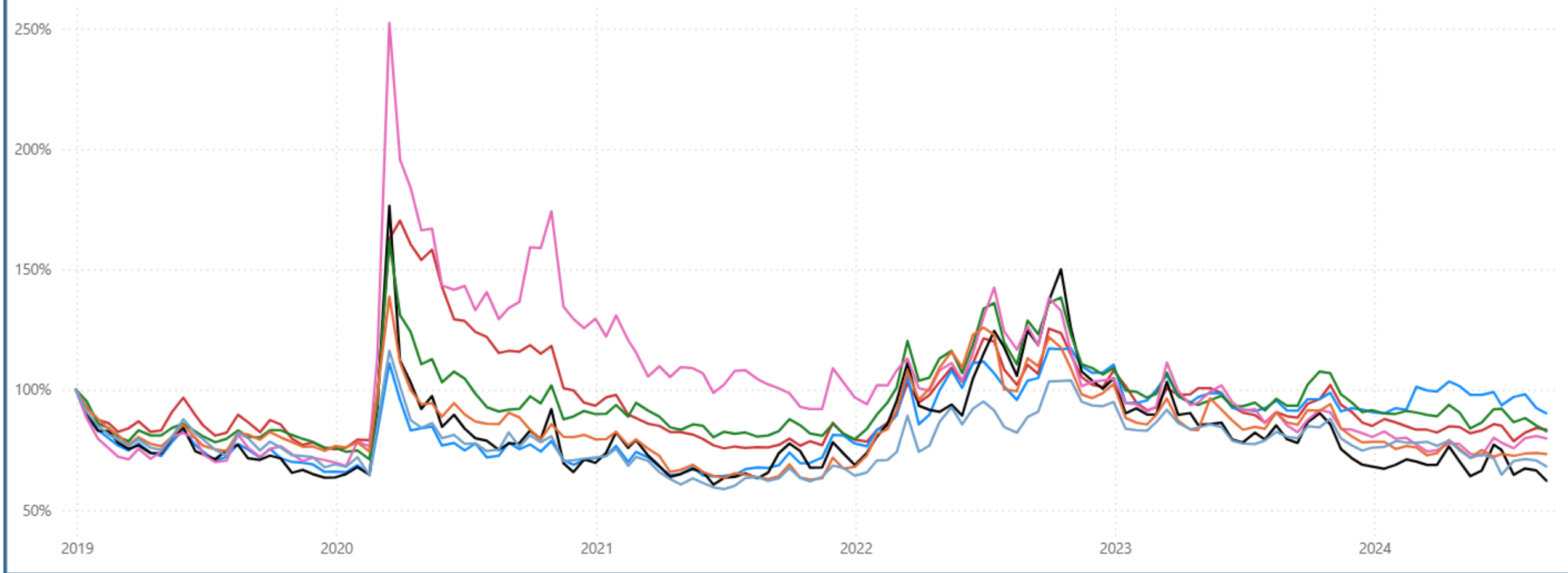
31/12/2018 is the starting point of the monitoring activity, with a baseline value of 100%, across six key sectors: Energy, Oil & Gas, Consumer Goods, Software, Technology, and Automotive.

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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**

**83%✓**

vs Base Date: 100%

(-16,60%)

**Consumer Goods**

**90%✓**

vs Base Date: 100%

(-9,77%)

**Energy**

**83%✓**

vs Base Date: 100%

(-17,24%)

**Oil & Gas**

**80%✓**

vs Base Date: 100%

(-20,23%)

**Software**

**73%✓**

vs Base Date: 100%

(-26,73%)

**Technology**

**68%✓**

vs Base Date: 100%

(-31,84%)

**Enel**

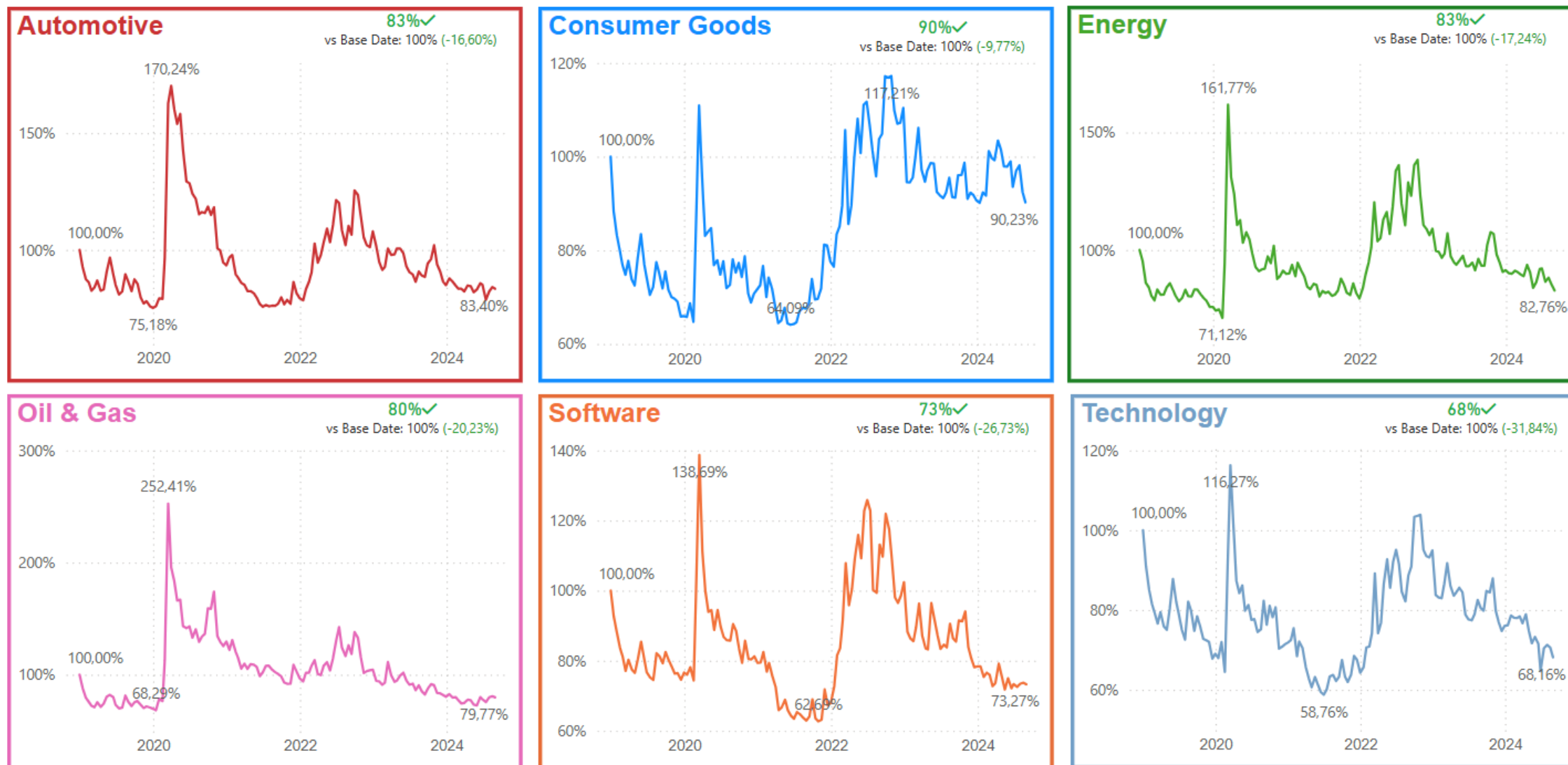
**62%✓**

vs Base Date: 100%

(-37,79%)

# Perceived Risk Index©

Measuring the risk as perceived by financial markets – by Sector @ 30 Aug 2024



# Perceived Risk Index©

## Comments

### Full month trend:

In August 2024, the PRI© for Enel and its main peers recorded a **sharp improvement**, supported by a significant **drop in Eurozone inflation to 2.2%**, the **lowest level since July 2021**. This figure intensified expectations of an imminent **interest rate cut by the ECB**, with several economists forecasting a potential **25 basis point reduction** in the short term. However, **persistent price pressures in services** continue to keep **core inflation** elevated.

In this context, **Enel confirmed its position** as the second-best performer throughout the month, benefiting from a progressive decrease in its PRI©. The improvement peaked at the **end of August**, with the index reaching **62.2%**, marking Enel's **lowest value since June 2021** and a significant reduction compared to mid-month levels.

The positive trend was also evident as a **new all-time low** (57,7%) in the PRI© value was reached since the indicator's inception.

Overall, **August represented a phase of strengthening in perceived risk profiles** for Enel and its peers, supported by **favorable macroeconomic signals** and **renewed market confidence** in the future direction of **monetary policy**.