Perceived Risk Index©
Sectors Analysis

31/03/2025

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.

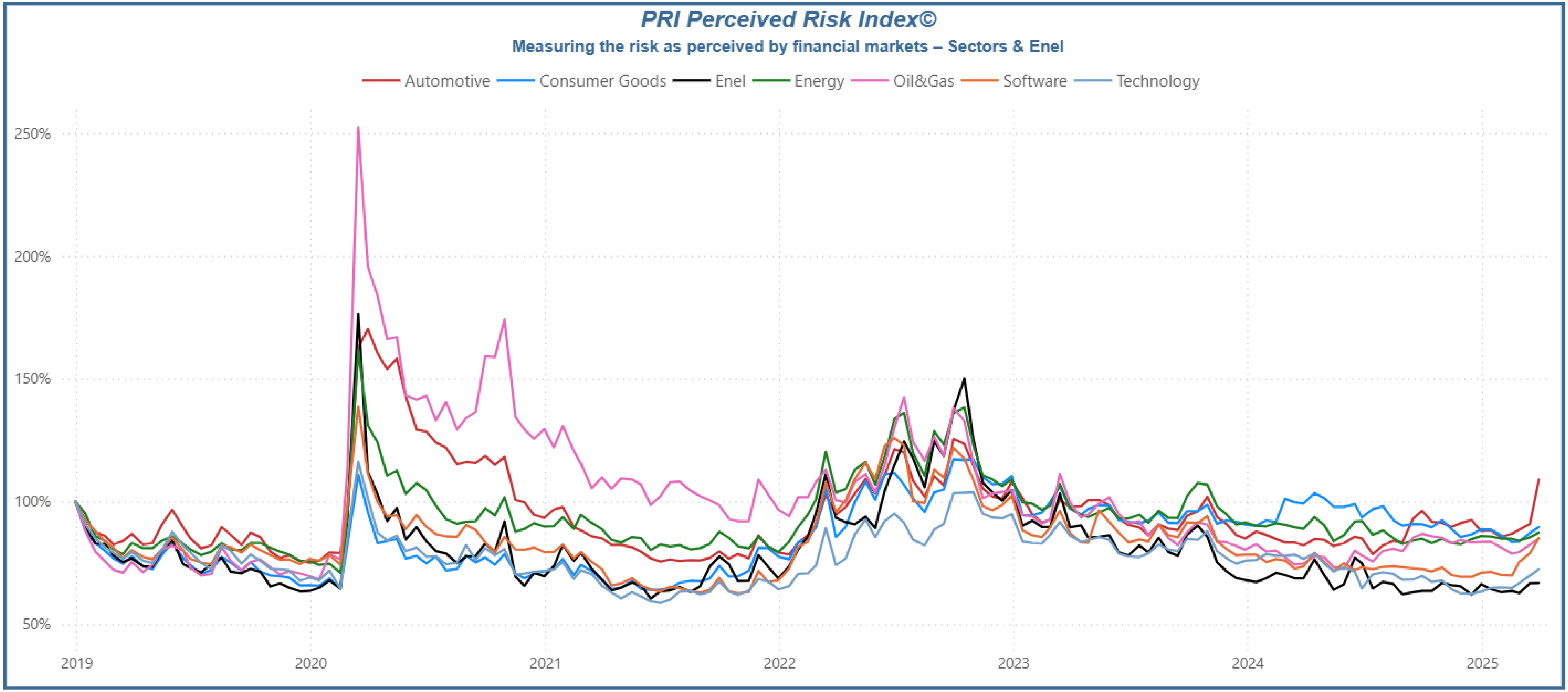
In an ever-evolving economic landscape, understanding how markets interpret risk is a key strategic lever for companies, investors, and stakeholders.

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.



Automotive	Consumer Goods	Energy	Oil & Gas	Software	Technology	Enel
109% !	90% ✓	87% ✓	85% ✓	85% ✓	72% ✓	67% ✓
vs Base Date: 100%	vs Base Date: 100%	vs Base Date: 100%	vs Base Date: 100%	vs Base Date: 100%	vs Base Date: 100%	vs Base Date: 100%
(+8,90%)	(-10,41%)	(-12,59%)	(-14,98%)	(-14,78%)	(-27,52%)	(-33,11%)

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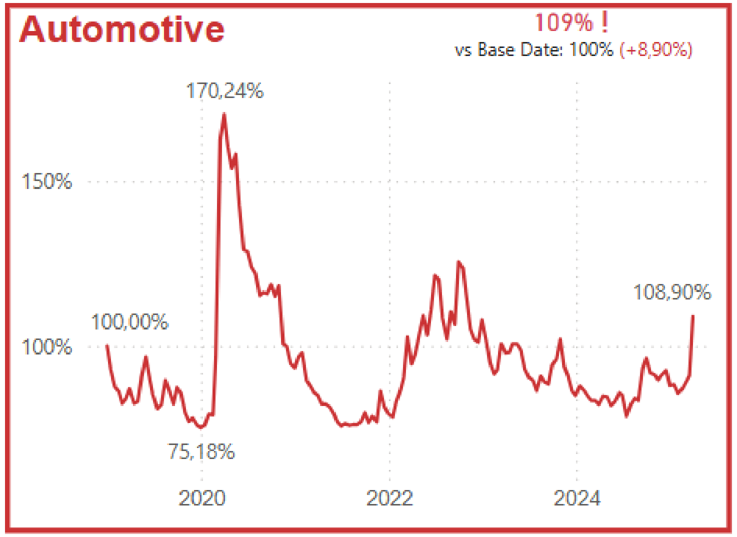
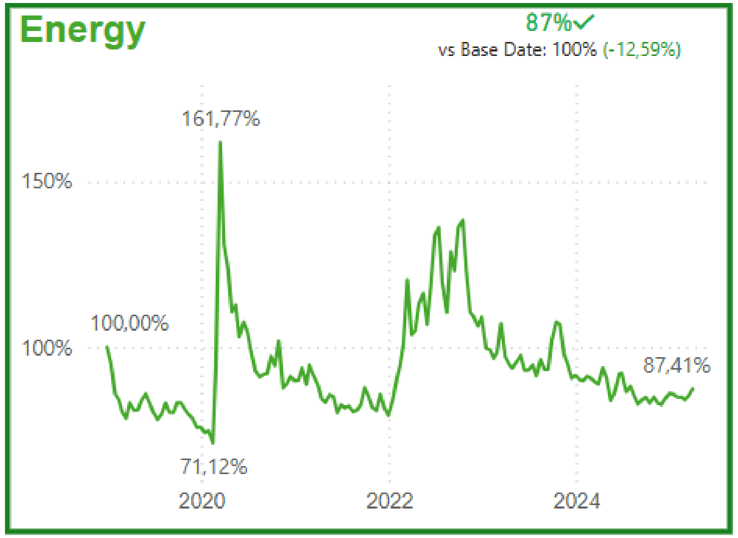
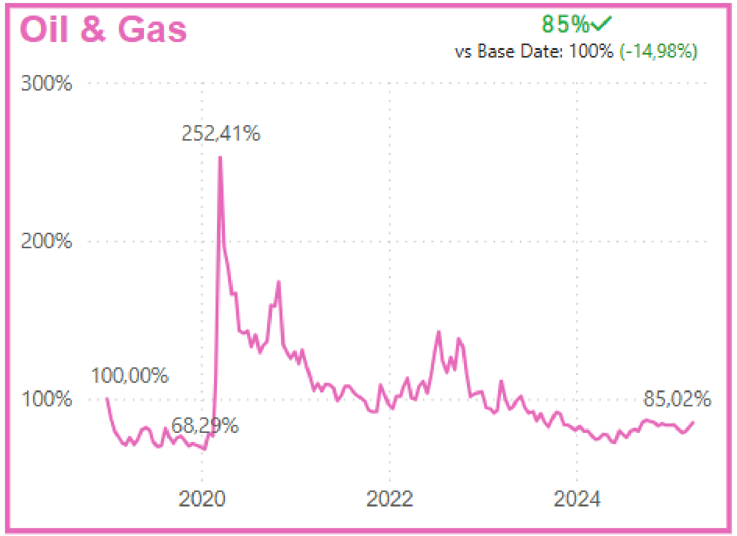
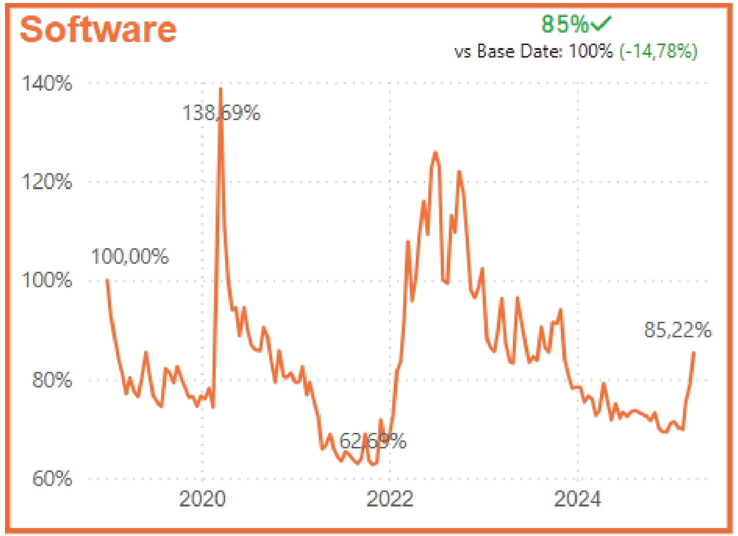
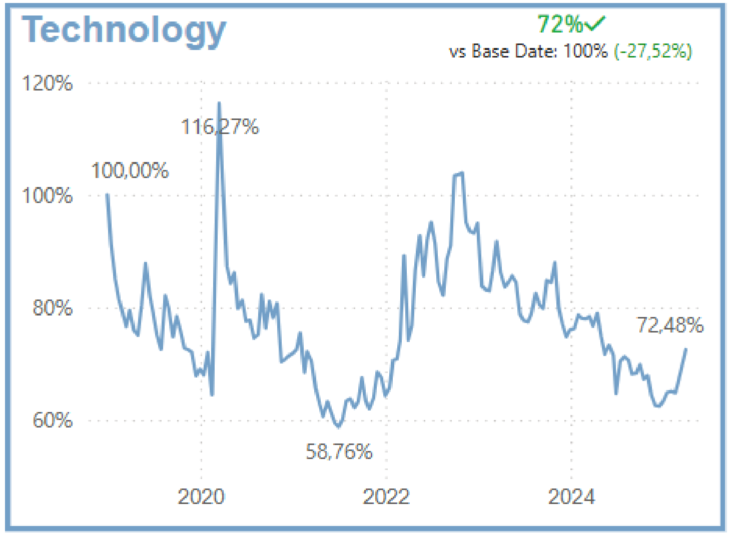
Measuring the risk as perceived by financial markets – by Sector @ 31 Mar 2025











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Comments (1/2)

Full month trend/trend Q1-25:

In March 2025, the **global macroeconomic environment** experienced a **sharp deterioration**, significantly impacting the performance of the PRI©. Following a period between December and February marked by mixed dynamics (benefits from interest rate cuts offset by persistent inflationary pressures) March saw a clear reversal in trend.

The introduction of **new tariffs** by the **United States**, including a 25% tax on imports from Canada and Mexico and higher duties on Chinese goods, contributed to **rising trade-related tensions** and fueled fears of a global trade war. Major stock indices such as the **S&P 500** and the **Nasdaq Composite** recorded **significant losses**, while **credit markets became more volatile**, leading to higher costs for corporate default risk hedging and a greater risk perception even for investment-grade issuers like Enel.

This instability resulted in a **broad-based increase in perceived risk**, pushing the PRI© higher also for the top performers.

At the same time, **rising geopolitical uncertainty** drove investors toward **safe-haven assets**, with gold reaching new all-time highs (+9% in March).

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Comments (2/2) – US Tariff Analysis

Sector	PRI© feb25	PRI© mar25	Δ p.p.	Δ%	Effetti
Automotive	88.53%	108.90%	+20.37	+23.0%	The introduction of 25% tariffs on vehicle imports from Canada and Mexico results in a significant cost increase for manufacturers (impacts could rise by up to USD 4,300 per vehicle).
Software	75.36%	85.22%	+9.86	+13.1%	Tariffs on imported electronic components, such as semiconductors and hardware, raise costs for software companies by increasing IT and cloud infrastructure expenses.
Consumer Goods	83.83%	89.59%	+5.76	+6.9%	Tariffs of up to 125% on goods imported from China, combined with a global 10% tariff, drive up costs for a wide range of consumer products — including electronics and apparel — leading to higher retail prices and margin pressure for retailers.
Technology	66.77%	72.48%	+5.71	+8.6%	Tariffs on imported semiconductors and other tech components disrupt supply chains and raise production costs.
Oil & Gas	79.44%	85.02%	+5.58	+7.0%	The imposition of 10% tariffs on energy imports — including oil and gas from Canada — increases operating costs for U.S. refineries.
Energy	84.07%	87.41%	+3.34	+4.0%	Tariffs on imported components for renewable energy projects raise costs, potentially slowing the adoption of sustainable energy sources and negatively impacting the development of power infrastructure.

1. The most affected sectors were **Automotive and Software**, with an increase in perceived risk due to the direct impact of tariffs on production, costs, and supply chains.
    a) The **automotive sector experienced the greatest impact**, both in absolute terms (+20.37 p.p.) and relative terms (+23%), due to its high exposure to vehicle tariffs.
2. Sectors such as **Oil & Gas, Energy, and Consumer Goods** also showed an increase in the PRI©, indicating growing operational and commercial uncertainty.
3. **Tariffs had cross-sector effects** throughout the industrial and technological supply chain, leading to a general rise in risk perception and a flight to safe-haven assets by investors.