


November 6, 2019

# The AES Corporation

## Third Quarter 2019 Financial Review

# Safe Harbor Disclosure

Certain statements in the following presentation regarding AES' business operations may constitute "forward-looking statements." Such forward-looking statements include, but are not limited to, those related to future earnings, growth and financial and operating performance. Forward-looking statements are not intended to be a guarantee of future results, but instead constitute AES' current expectations based on reasonable assumptions. Forecasted financial information is based on certain material assumptions. These assumptions include, but are not limited to, accurate projections of future interest rates, commodity prices and foreign currency pricing, continued normal or better levels of operating performance and electricity demand at our distribution companies and operational performance at our generation businesses consistent with historical levels, as well as the execution of PPAs, conversion of our backlog and growth from investments at investment levels and rates of return consistent with prior experience. For additional assumptions see Slide 51 and the Appendix to this presentation. Actual results could differ materially from those projected in our forward-looking statements due to risks, uncertainties and other factors. Important factors that could affect actual results are discussed in AES' filings with the Securities and Exchange Commission including but not limited to the risks discussed under Item 1A: "Risk Factors" and Item 7: "Management's Discussion & Analysis" in AES' 2018 Annual Report on Form 10-K, as well as our other SEC filings. AES undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Reconciliation to U.S. GAAP Financial Information

The following presentation includes certain "non-GAAP financial measures" as defined in Regulation G under the Securities Exchange Act of 1934, as amended. Schedules are included herein that reconcile the non-GAAP financial measures included in the following presentation to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP.

# Strong Third Quarter Results and Accelerating Strategic Plans

## Delivering on Our Commitments Today…

- Q3 2019 Adjusted EPS[1] of $0.48 versus $0.35 in Q3 2018
- Reaffirming 2019 guidance and 7%-9% average annual growth through 2022
- Attained investment grade rating
- Signed 921 MW of renewables (1.9 GW YTD), bringing backlog to 6.1 GW
- Received approval from Government of Vietnam to develop 2.2 GW CCGT
- Finalized JV in the Dominican Republic to expand LNG storage by 50 TBTU

## …While Strategically Investing for the Future

- Created a strategic alliance with Google to accelerate the growth and adoption of clean energy
- Fluence tripled its backlog by signing 806 MW of energy storage in YTD 2019

1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

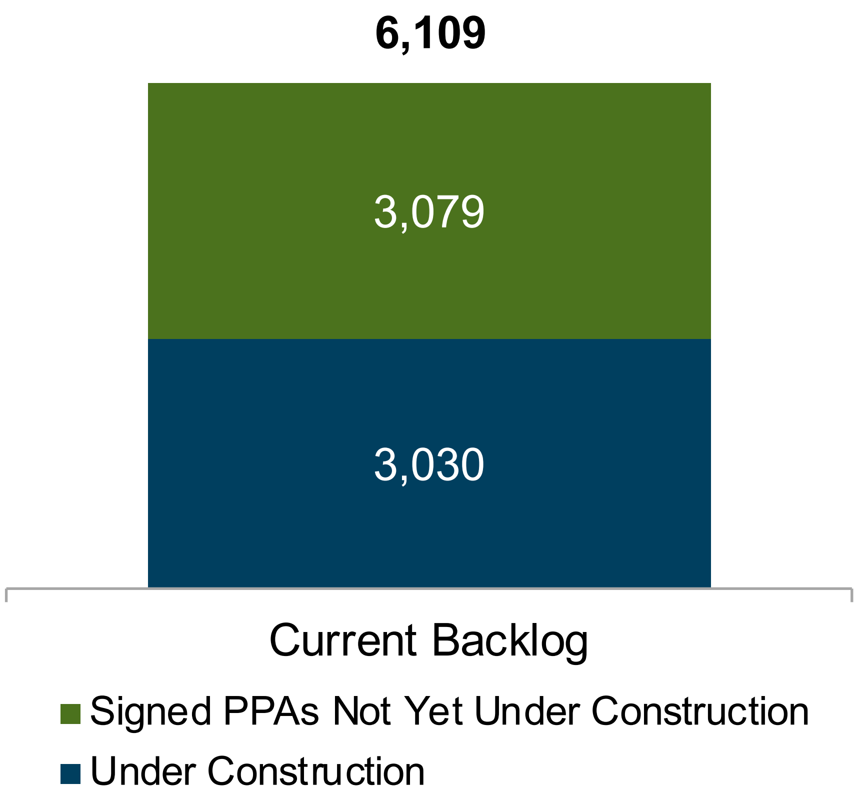
# Enhancing the Resilience of Our Portfolio

| | 2011 | Current | Change |
|---|---|---|---|
| **Parent Debt ($ in Millions)** | $6,515 | $3,239[2] | ↓ **$3,276 or 50%** |
| **Credit Rating** | B+/BB- | BB+/BBB- | ↑ **2-4 notches** |
| **Impact from Movements in Foreign Currencies, Commodities and Hydrology[1]** | $0.21 | $0.07 | ↓ **68%** |
| **Countries with Operations** | 28 | 13 | ↓ **15** |

1. Estimated annual EPS at risk at a 95% confidence level.
2. As of September 30, 2019, excluding $345 million drawn on the Revolver, which is expected to be repaid before year-end.

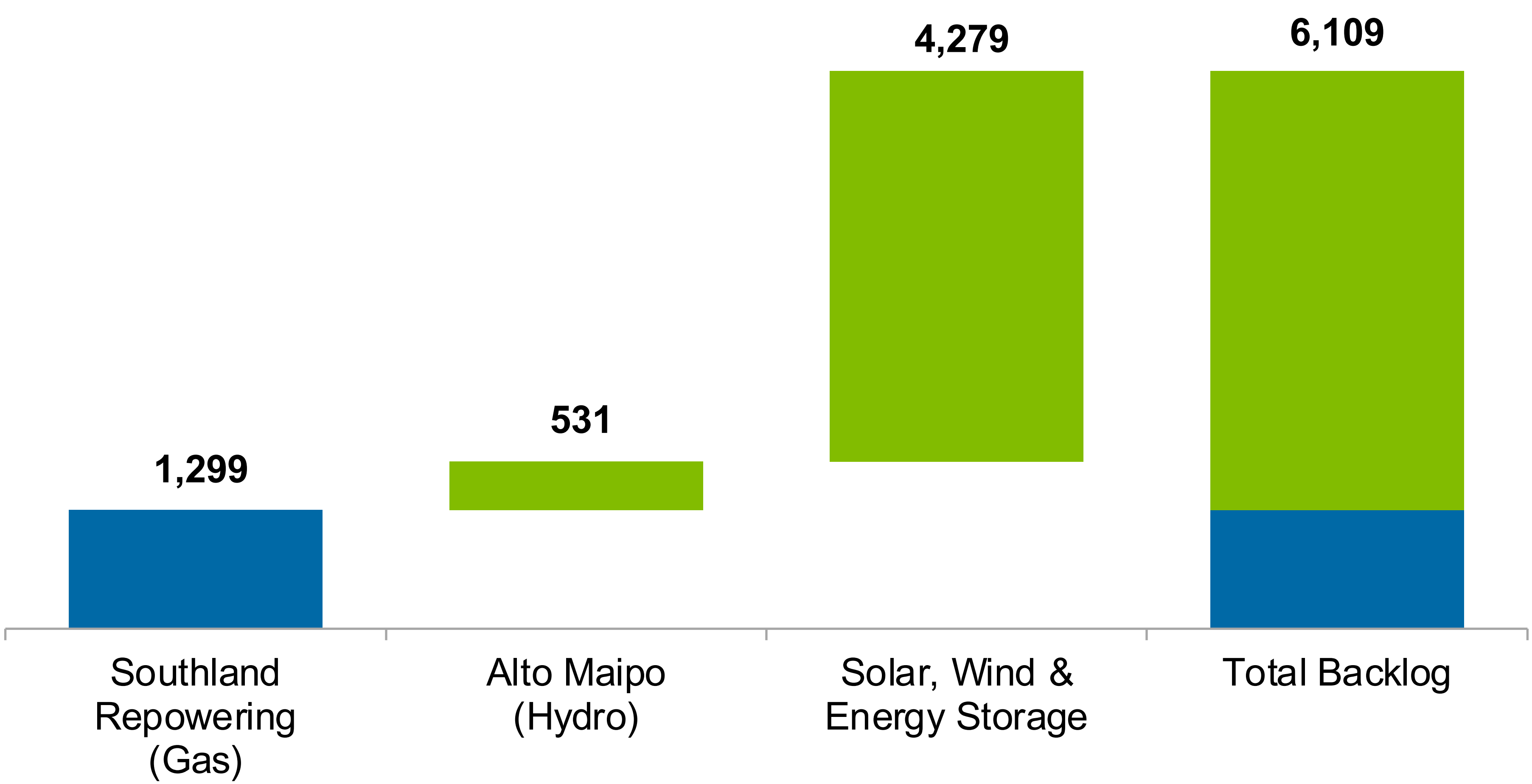
# 6.1 GW Backlog of Mostly Renewables

## On Track to Become One of the Largest Renewable Developers in the World




- Expect to sign 2 to 3 GW per year
  - Split 50/50 between:
    - US and international
    - Wind and solar
- YTD 2019 signed 1,940 MW
  - 921 MW in Q3 2019

# 6.1 GW Backlog of Mostly Renewables



# 3,030 MW Under Construction

## 1,299 MW Southland Repowering in California

- In commissioning phase
- On track to come on-line in the first quarter of 2020

# 3,030 MW Under Construction

## 531 MW Alto Maipo in Chile

- Completed 37 miles of tunneling
  - 4 miles away from completion of Phase 1
- Remain on track to complete construction of Las Lajas and Alfalfal 2 by year-end 2020

# Advancing Our LNG Infrastructure Strategy

## LNG Complex in Vietnam

### 2.2 GW CCGT

- Anchor client for LNG terminal
  - Project approved by the Government of Vietnam
  - Expected to have 20-year contracts
- Targeting financial close in 2021 and commercial operations in 2024

### 480 TBTU LNG Terminal

- Partnering with PetroVietnam (state-owned gas company)
- Facility will help meet existing and growing demand for LNG

# Advancing Our LNG Infrastructure Strategy

## Expanding LNG Storage Capacity by 50 TBTU in the Dominican Republic

- Signed a joint venture with local generators in the Dominican Republic
  - Adding second storage tank with 50 TBTU of capacity
  - Already signed, or in advanced negotiations for, 30 TBTU volume
- Minimal AES equity investment

# Strategic Alliance with Google to Accelerate Growth and Adoption of Clean Energy

## 10-Year Strategic Alliance

Google

- AES will collaborate with Google Cloud on energy management and opportunities to sponsor clean energy projects
- AES will use Google Cloud technology to drive innovation in the sector, help create the grid of the future and improve the experience for energy customers

# Investing in Innovative Technologies

## Uplight Enables Utilities to Better Engage Their Customers

- Market leader in providing cloud-based energy solutions in the United States
- Expect Uplight's annual revenue to grow significantly from its current base of over $100 million

# Investing in Innovative Technologies

## Fluence Energy Storage Joint Venture with Siemens

- Global market leader
  - Awarded 806 MW in YTD 2019
- Tripled backlog of awarded sales to more than 1 GW, or ~$1 billion
- Total of 1,524 MW delivered or awarded through Q3 2019

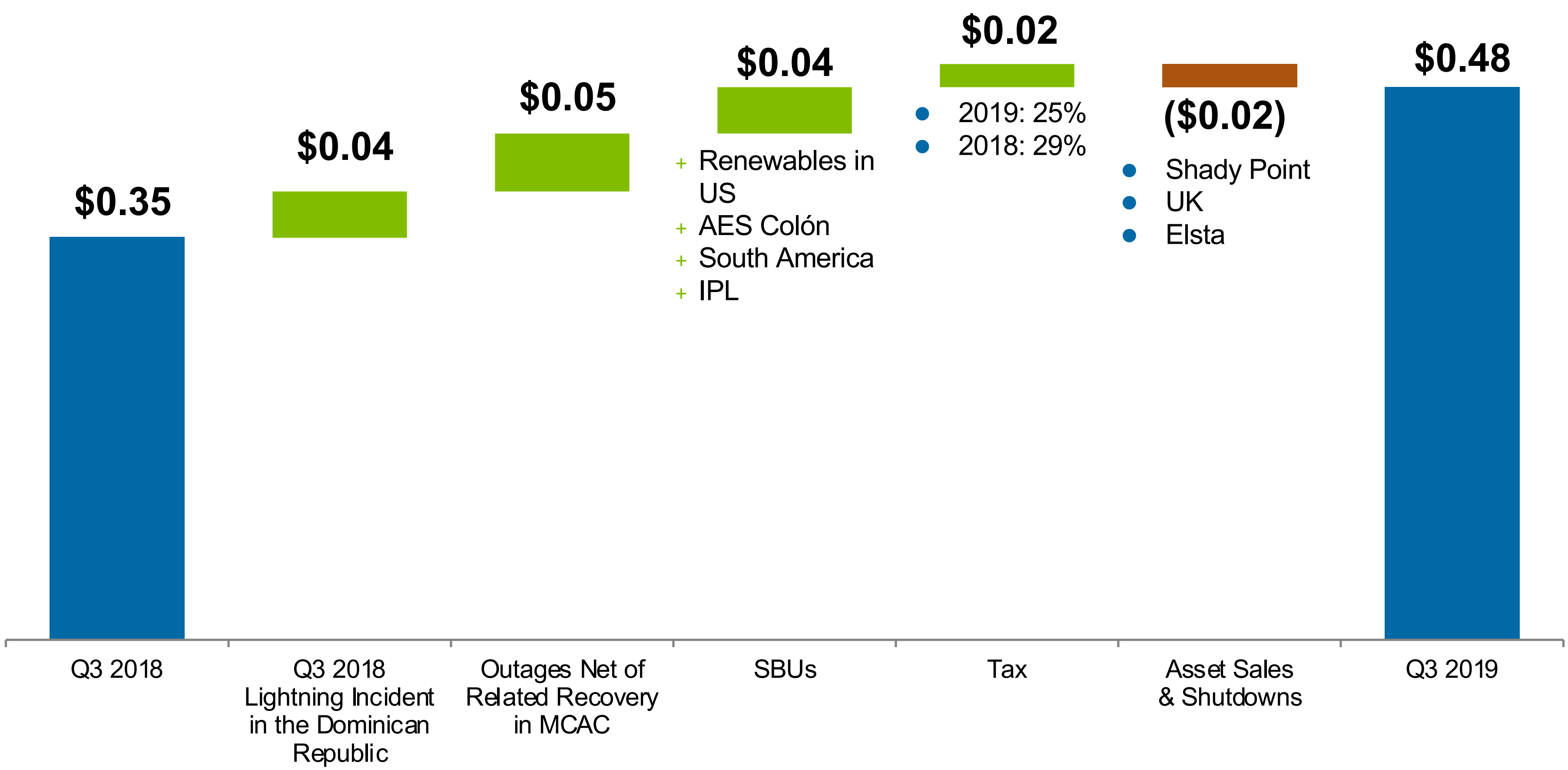
FLUENCE

A Siemens and AES Company

# Q3 2019 Financial Review

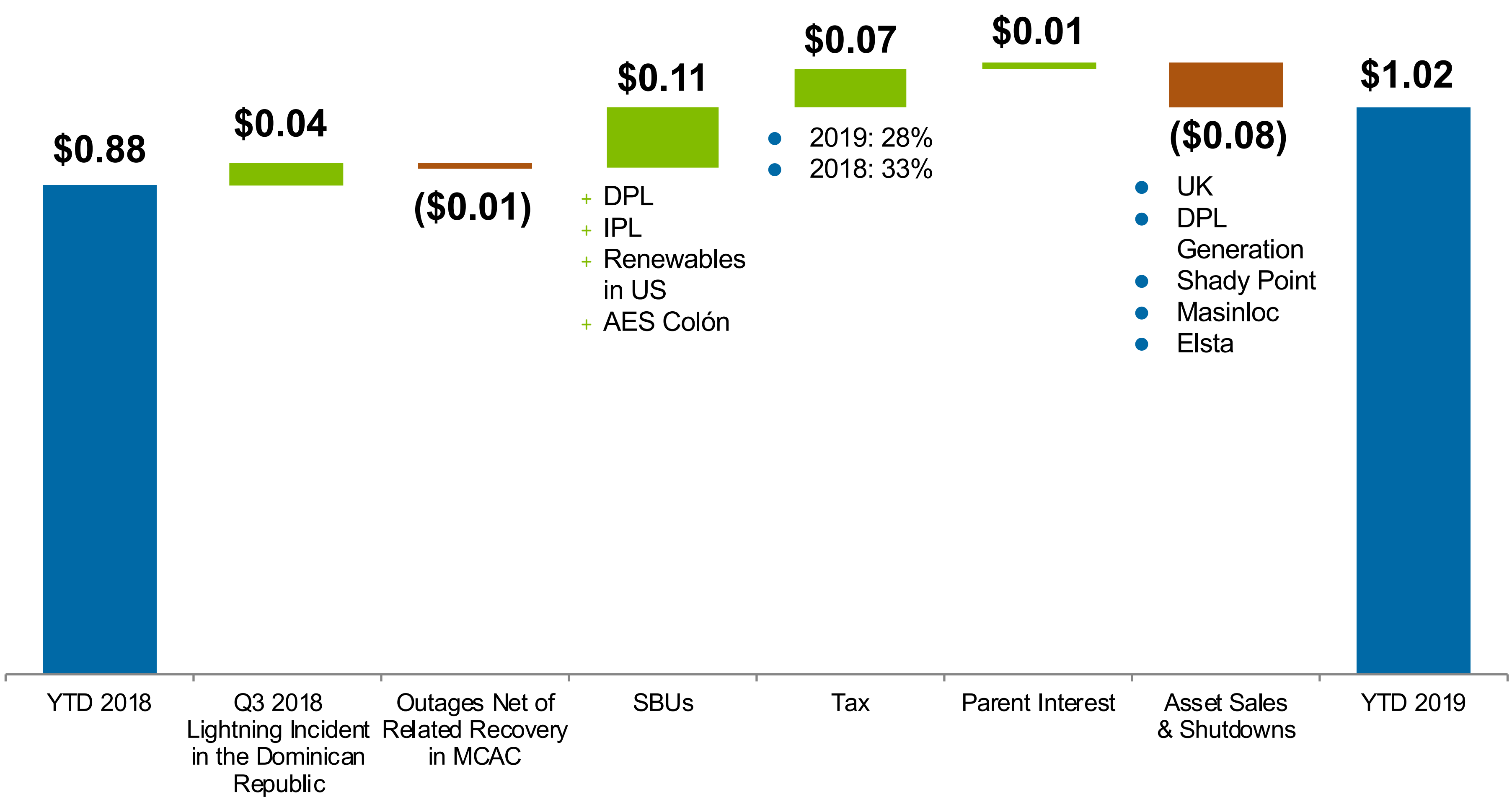
- Q3 2019 results
- 2019 guidance
- Parent capital allocation plan

# Q3 2019 Adjusted EPS[1] Increased $0.13




1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

# YTD 2019 Adjusted EPS[1] Increased $0.14

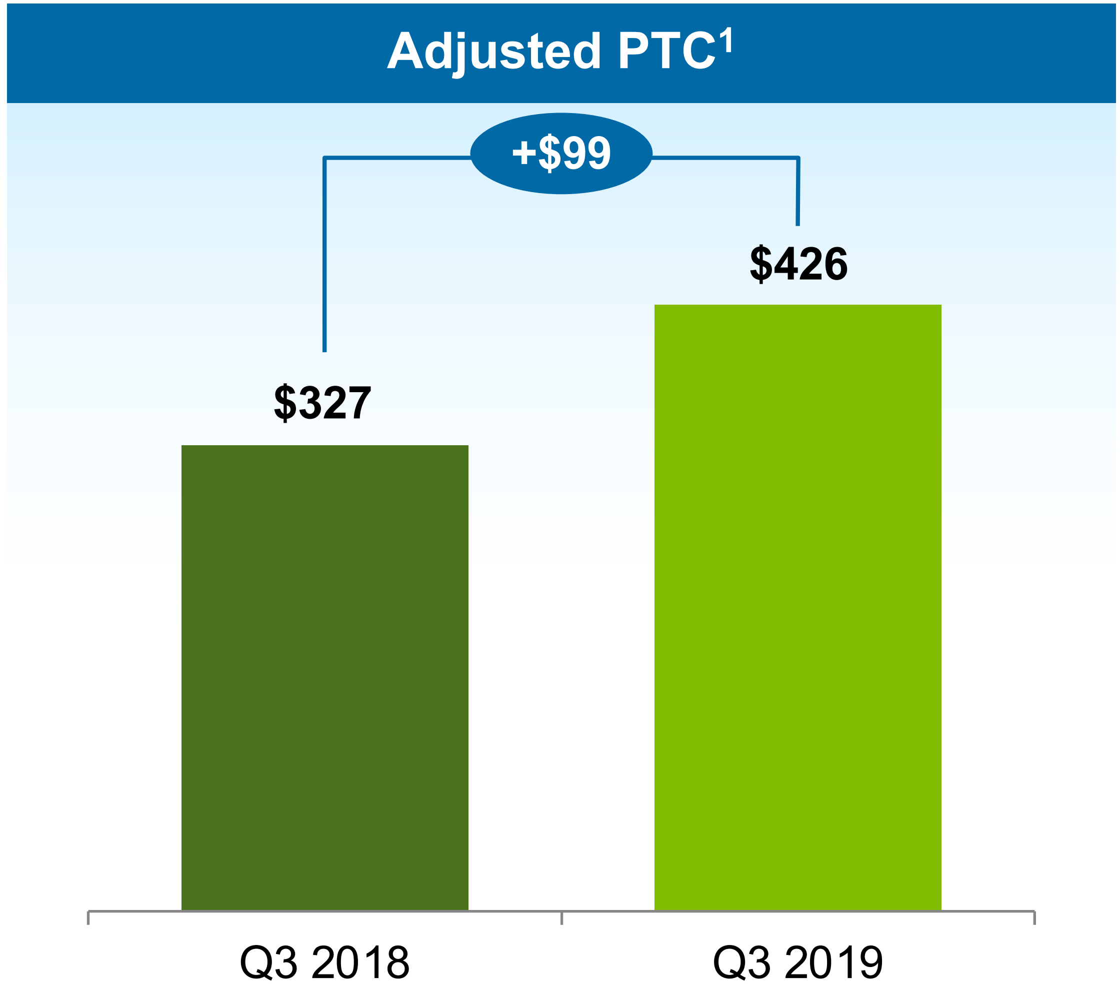



1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

# Q3 Financial Results

$ in Millions

- Higher Adjusted PTC[1] driven primarily by:
  - Outages in the MCAC SBU net of related insurance recovery; and
  - Contributions from US & Utilities and South America SBUs

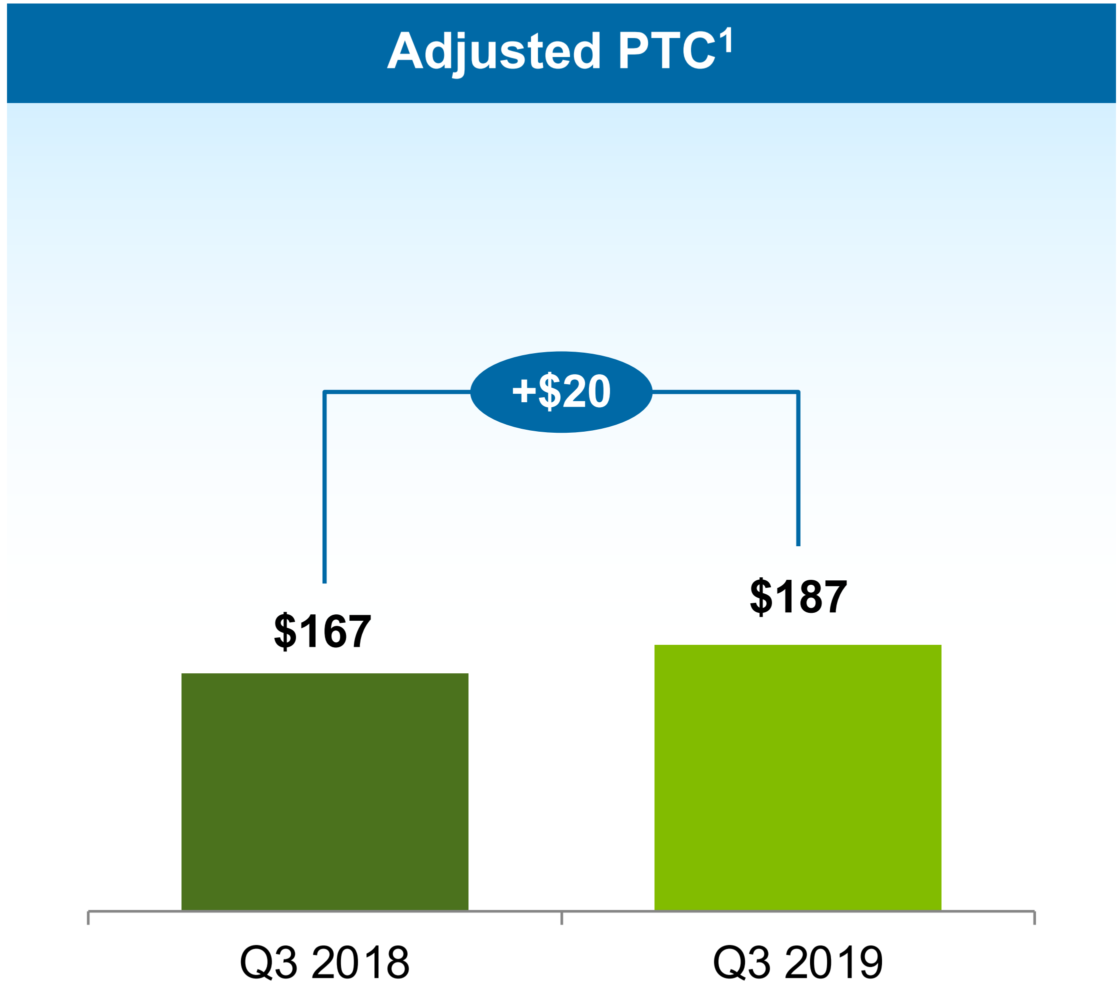



1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

# Q3 Financial Results: US & Utilities SBU

$ in Millions

- Higher Adjusted PTC[1] driven primarily by:
  - Contributions from renewables in the US; and
  - Higher regulated rates at IPL
- Partially offset by the sale of Shady Point

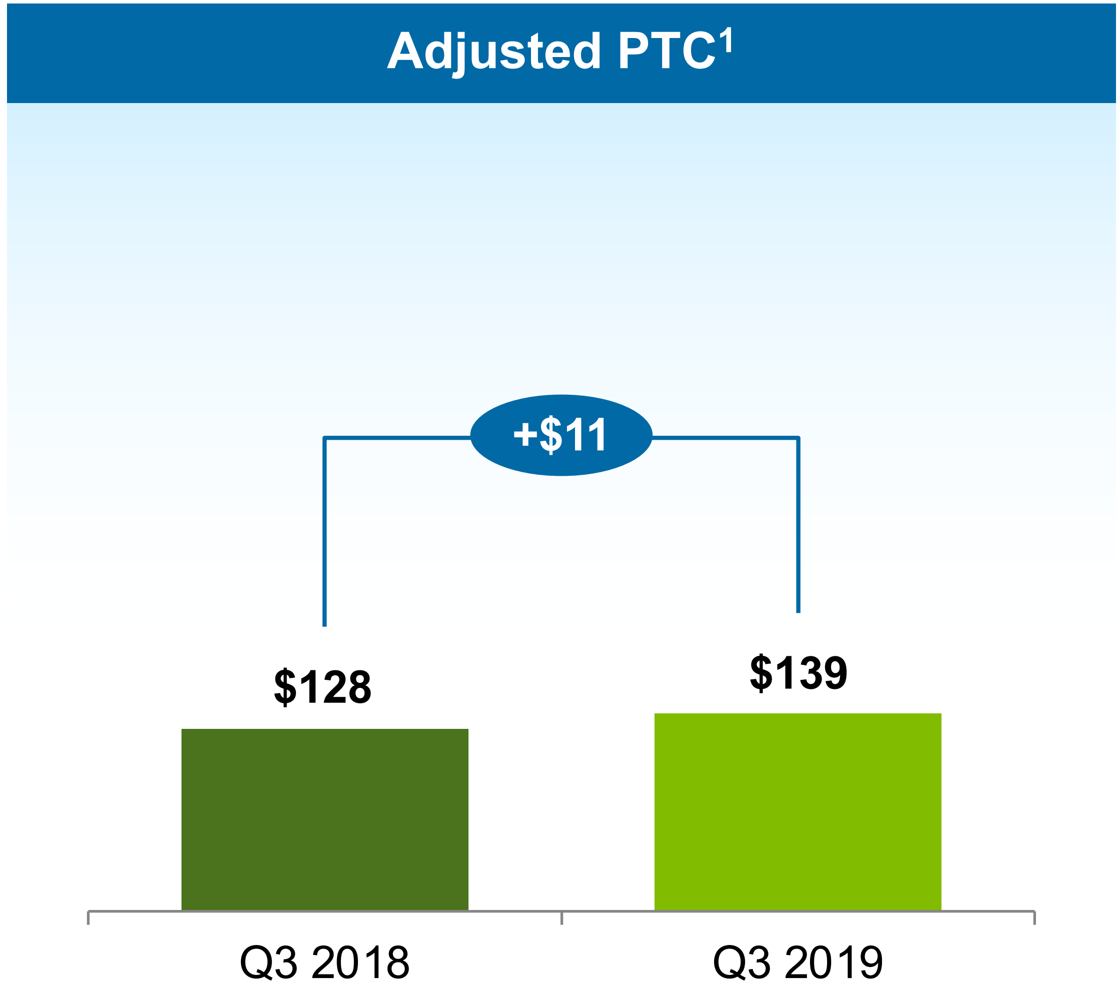



1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

# Q3 Financial Results: South America SBU

$ in Millions

- Higher Adjusted PTC[1] driven primarily by improved margins at Guacolda, lower interest expense, and realized foreign currency gains in Chile

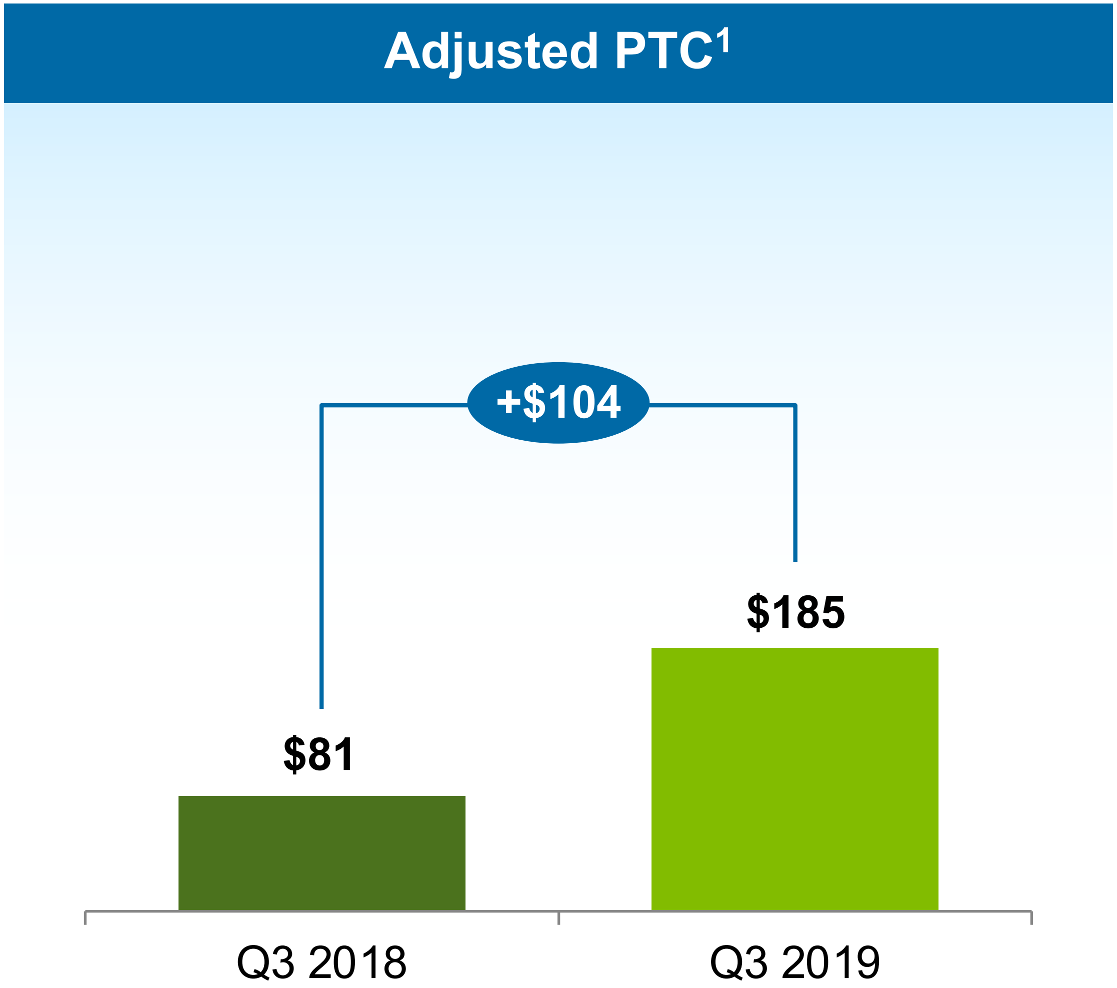



1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

# Q3 Financial Results: MCAC SBU

$ in Millions

- Higher Adjusted PTC[1] driven primarily by:
  - Outages in the Dominican Republic in 2018 and in Panama in 2019, net of related insurance recovery in 2019; and
  - Commencement of operations at AES Colón in 2018



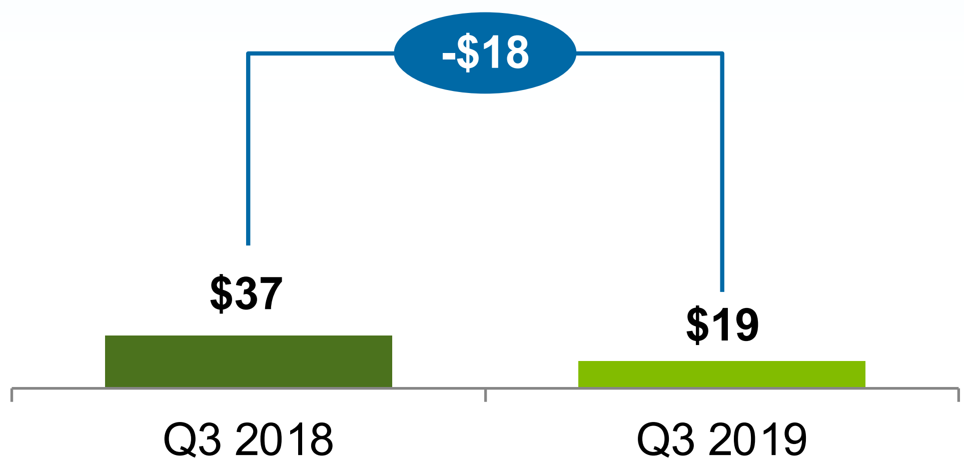

1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

# Q3 Financial Results: Eurasia SBU

$ in Millions

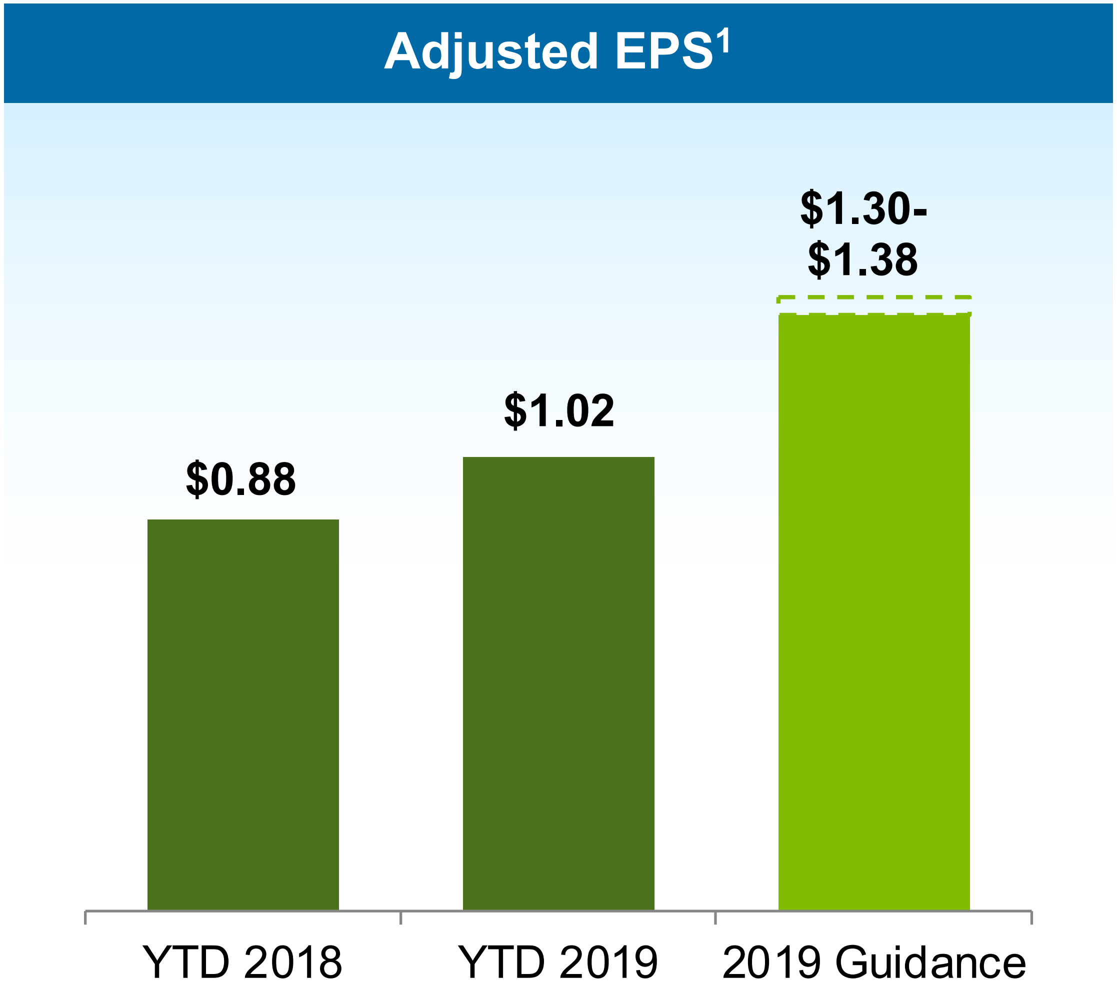
- Lower Adjusted PTC[1] driven primarily by lower capacity during testing and commissioning at OPGC 2 in India

## Adjusted PTC[1]




1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

# Reaffirming 2019 Guidance and 7%-9% Average Annual Growth Through 2022



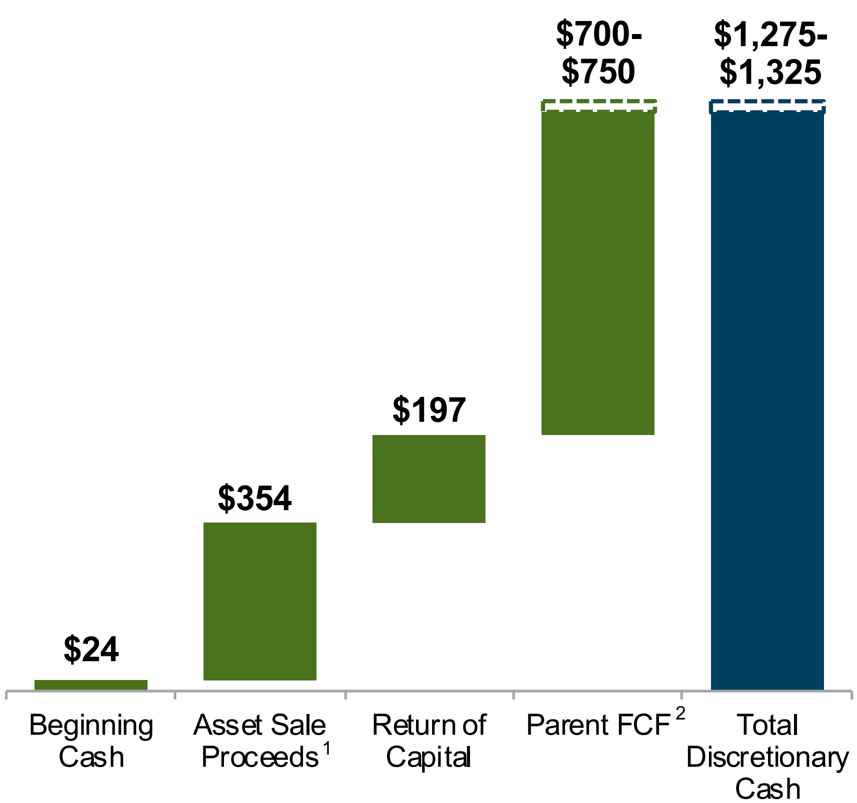

- On track to achieve 2019 Adjusted EPS[1] guidance
- In Q4 2019, we expect:
  - A higher quarterly tax rate versus 24% in Q4 2018; and
  - Planned outage at Warrior Run in the US
- Reaffirming 2019 Parent Free Cash Flow[1] of $700-$750 million

1. A non-GAAP financial measure. See Appendix for definition. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted EPS guidance, or for its Parent Free Cash Flow expectation, without unreasonable effort. See Slide 49 for a description of the adjustments to reconcile Adjusted EPS to diluted EPS for YTD 2019.

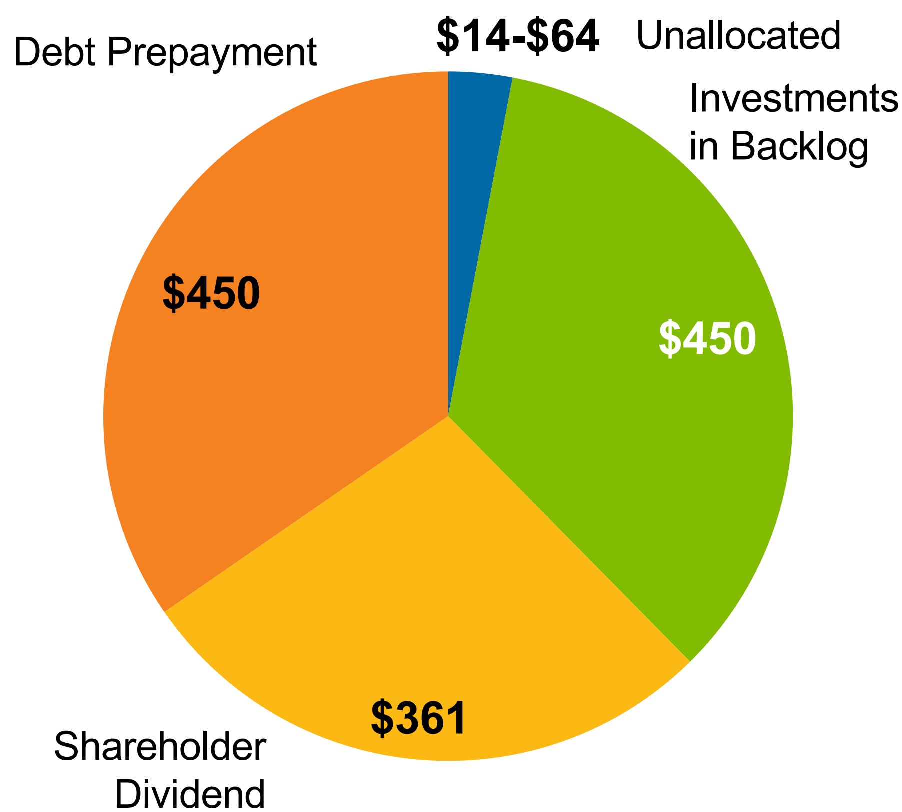
# 2019 Parent Capital Allocation Plan

$ in Millions

## Discretionary Cash – Sources ($1,275-$1,325)



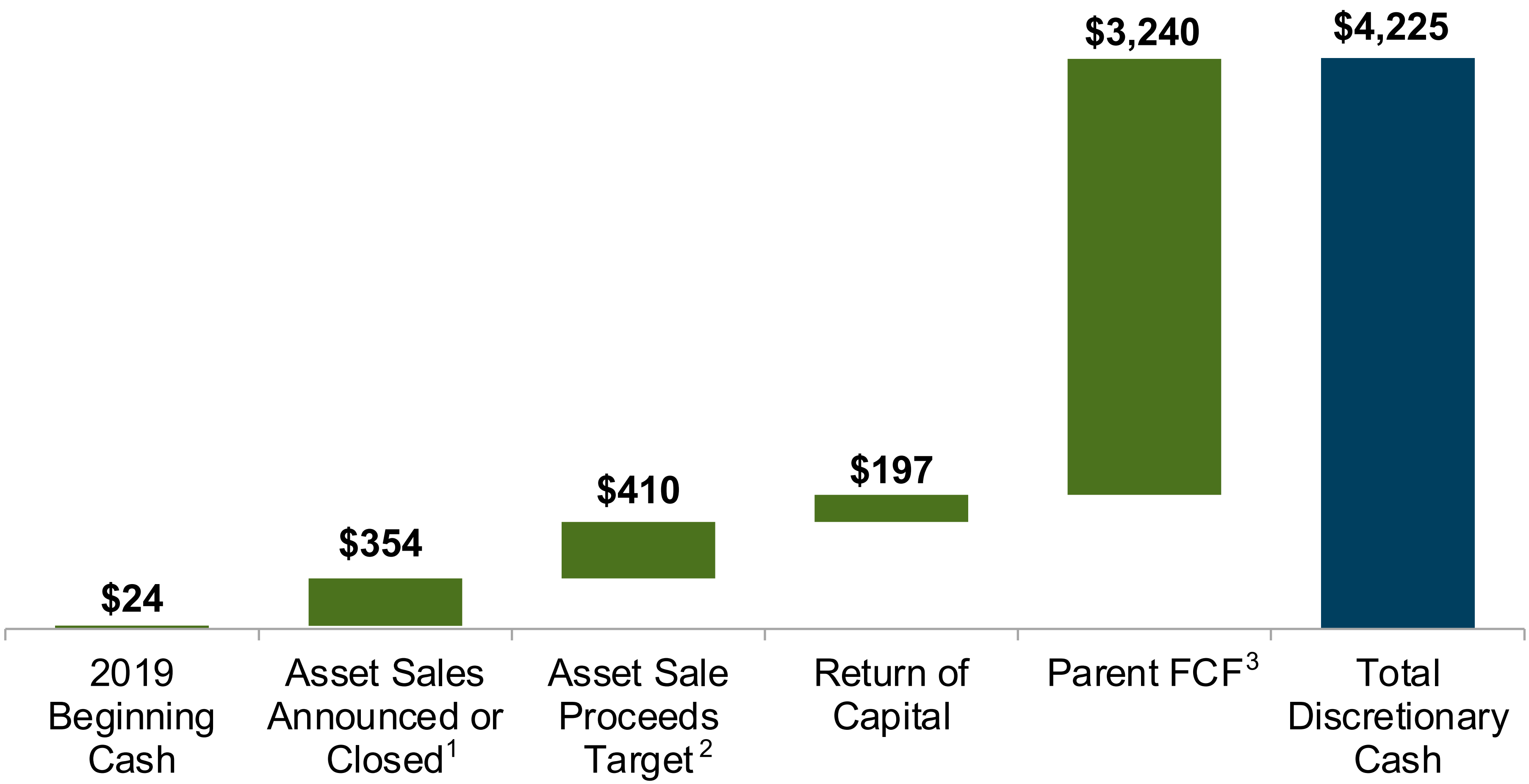

## Discretionary Cash – Uses ($1,275-$1,325)




1. Includes: sell-down of sPower's operating portfolio; and sales of businesses in Jordan and Northern Ireland.
2. A non-GAAP financial measure. See "definitions".

# 2019-2022: $4.2 Billion of Discretionary Cash Generation

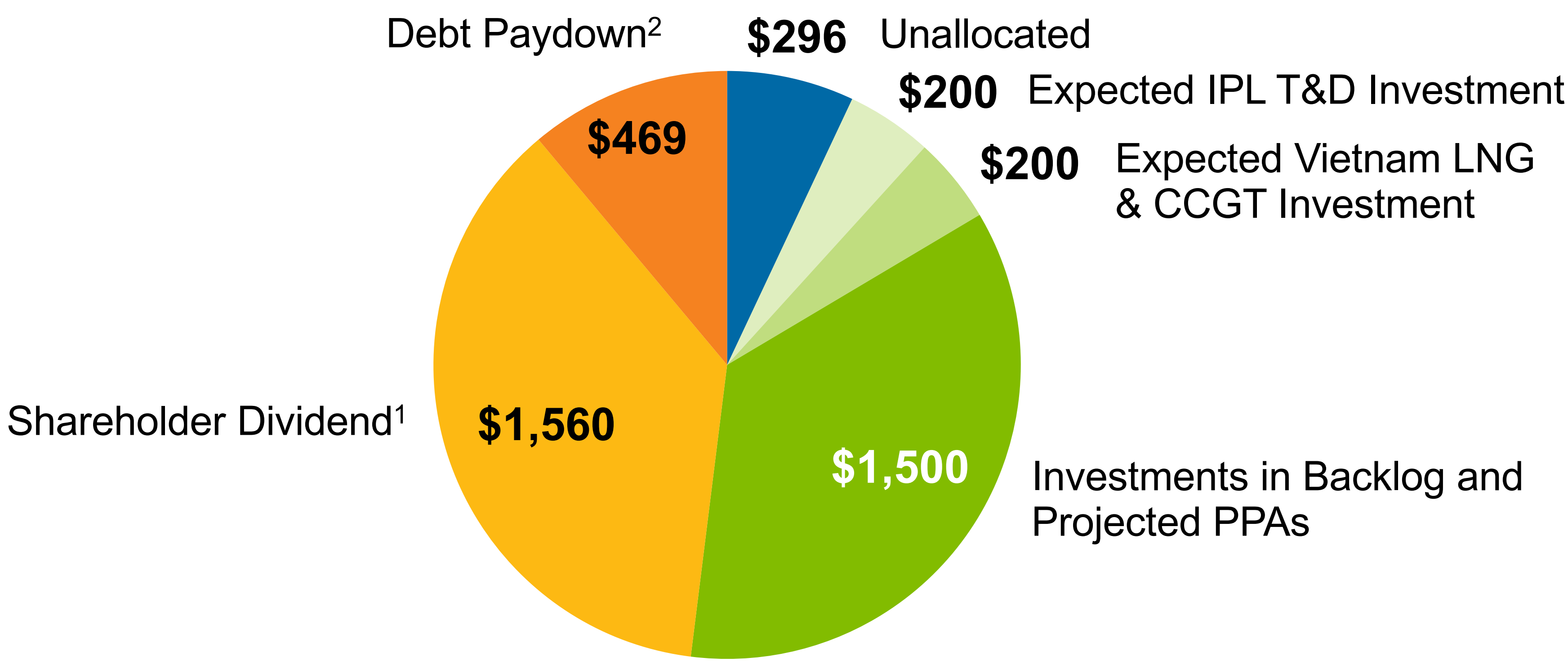
$ in Millions




1. Includes: sell-down of sPower's operating portfolio; and sales of businesses in Jordan and Northern Ireland.
2. Remaining portion of $2 billion target, net of $1.6 billion announced or closed in 2018 and 2019.
3. A non-GAAP financial measure. See "definitions". For illustrative purposes, Parent Free Cash Flow assumes the low end of expectations.

# 2019-2022: $4.2 Billion of Discretionary Cash Available for Allocation

$ in Millions




**Delivering Value by Allocating $4 Billion of Discretionary Cash**

1. Assumes 2019 payment of $0.1365 per share each quarter on 662 million shares outstanding as of December 31, 2018, growing at 5% per year through 2022.
2. Includes: $450 million toward debt paydown in 2019; and $19 million of remaining Senior Secured Term Loan due in 2022.

# Summary

- On track to meet our 2019 guidance and 7% to 9% average annual growth through 2022
- Attained investment grade rating
- Capitalizing on attractive renewables and LNG infrastructure growth projects
- Positioning ourselves as a technology leader by strategically investing in new technologies

**Offering 10% to 12% Annual Total Shareholder Return**

# Appendix



1. A non-GAAP financial measure.

# Parent Sources and Uses of Liquidity

| $ in Millions | Q3 | | YTD | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| **Sources** | | | | |
| Total Subsidiary Distributions[1] | $326 | $175 | $795 | $795 |
| Proceeds from Asset Sales, Net | $91 | $181 | $204 | $1,228 |
| Financing Proceeds, Net | - | - | - | $990 |
| Increased/(Decreased) Credit Facility Commitments | - | - | - | - |
| Issuance of Common Stock, Net | - | - | - | $1 |
| Total Returns of Capital Distributions & Project Financing Proceeds | $198 | - | $198 | - |
| Beginning Parent Company Liquidity[2] | $888 | $838 | $1,046 | $869 |
| **Total Sources** | **$1,503** | **$1,194** | **$2,243** | **$3,883** |
| **Uses** | | | | |
| Repayments of Debt | ($446) | - | ($449) | ($1,781) |
| Shareholder Dividend | ($91) | ($86) | ($271) | ($258) |
| Investments in Subsidiaries, Net | ($191) | - | ($496) | ($202) |
| Cash for Development, Selling, General & Administrative and Taxes | ($49) | ($26) | ($220) | ($210) |
| Cash Payments for Interest | ($48) | ($45) | ($148) | ($187) |
| Changes in Letters of Credit and Other, Net | $73 | $48 | $92 | ($160) |
| Ending Parent Company Liquidity[2] | ($751) | ($1,085) | ($751) | ($1,085) |
| **Total Uses** | **$1,503** | **($1,194)** | **$2,243** | **($3,883)** |

1. See “definitions”.
2. A non-GAAP financial measure. See “definitions”.

# Q3 2019 Subsidiary Distributions[1]

$ in Millions

| Subsidiary Distributions[1] by SBU | | |
|---|---|---|
| | Q3 2019 | YTD 2019 |
| US & Utilities | $48 | $240 |
| South America | $99 | $188 |
| MCAC | $24 | $117 |
| Eurasia | $140 | $222 |
| Corporate & Other[2] | $15 | $28 |
| **Total** | **$326** | **$795** |

| Top Ten Subsidiary Distributions[1] by Business | | | | | | | |
|---|---|---|---|---|---|---|---|
| Q3 2019 | | | | YTD 2019 | | | |
| Business | Amount | Business | Amount | Business | Amount | Business | Amount |
| Argentina (South America) | $86 | Los Mina (MCAC) | $24 | Argentina (South America) | $124 | Mong Duong (Eurasia) | $74 |
| Mong Duong (Eurasia) | $45 | Ballylumford (Eurasia) | $21 | US Holdco (US and Utilities) | $100 | AES Gener (South America) | $50 |
| Maritza East (Eurasia) | $37 | Global Insurance (Corp & Other) | $15 | IPALCO (US and Utilities) | $90 | Kilroot (Eurasia) | $33 |
| Kilroot (Eurasia) | $31 | Brazil (South America) | $13 | Maritza East (Eurasia) | $78 | Global Insurance (Corp & Other) | $28 |
| IPALCO (US & Utilities) | $26 | CAESS & EEO (MCAC) | $7 | Los Mina (MCAC) | $75 | Ballylumford (Eurasia) | $22 |

1. See “definitions”.
2. Corporate & Other includes Global Insurance.

# Reconciliation of Subsidiary Distributions[1] and Parent Liquidity[1]

$ in Millions

| | Quarter Ended | | | |
|---|---|---|---|---|
| | September 30, 2019 | June 30, 2019 | March 31, 2019 | December 31, 2018 |
| Total Subsidiary Distributions[1] to Parent & QHCs[2] | $326 | $269 | $200 | $390 |
| Total Return of Capital Distributions to Parent & QHCs[2] | $198 | - | - | - |
| **Total Subsidiary Distributions[1] & Returns of Capital to Parent** | **$524** | **$269** | **$200** | **$390** |

| | Balance as of | | | |
|---|---|---|---|---|
| | September 30, 2019 | June 30, 2019 | March 31, 2019 | December 31, 2018 |
| Cash at Parent & QHCs[2] | $28 | $169 | $34 | $24 |
| Availability Under Credit Facilities | $723 | $719 | $775 | $1,022 |
| **Ending Liquidity** | **$751** | **$888** | **$809** | **$1,046** |

1. A non-GAAP financial measure. See “definitions”.
2. Qualified Holding Company. See “assumptions”.

# Q3 & YTD Adjusted EPS[1] Roll-Up

$ in Millions, Except Per Share Amounts

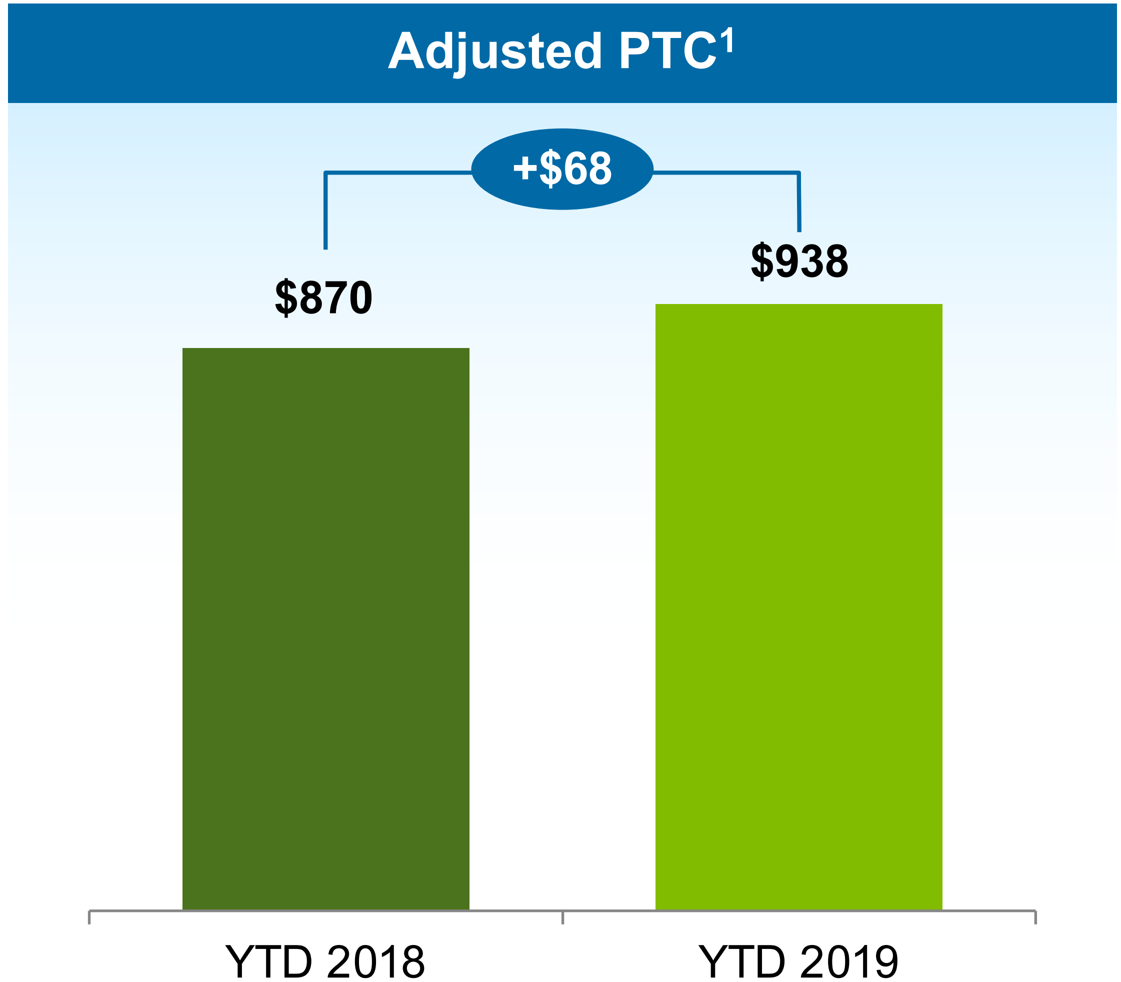
| | Q3 2019 | Q3 2018 | Variance | YTD 2019 | YTD 2018 | Variance |
|---|---|---|---|---|---|---|
| **Adjusted PTC[1]** | | | | | | |
| US & Utilities | $187 | $167 | $20 | $427 | $363 | $64 |
| South America | $139 | $128 | $11 | $360 | $381 | ($21) |
| MCAC | $185 | $81 | $104 | $298 | $215 | $83 |
| Eurasia | $19 | $37 | ($18) | $114 | $175 | ($61) |
| **Total SBUs** | **$530** | **$413** | **$117** | **$1,199** | **$1,134** | **$65** |
| Corp/Other | ($104) | ($86) | ($18) | ($261) | ($264) | $3 |
| **Total AES Adjusted PTC[1,2]** | **$426** | **$327** | **$99** | **$938** | **$870** | **$68** |
| Adjusted Effective Tax Rate | 25% | 28% | | 28% | 33% | |
| Diluted Share Count | 667 | 665 | | 667 | 664 | |
| **Adjusted EPS[1]** | **$0.48** | **$0.35** | **$0.13** | **$1.02** | **$0.88** | **$0.14** |

1. A non-GAAP financial measure. See Slides 49-50 for reconciliation to the nearest GAAP measure and "definitions".
2. Includes $5 million and $8 million of adjusted after-tax equity in earnings for Q3 2019 and Q3 2018, respectively, and $7 million and $27 million for YTD 2019 and YTD 2018, respectively.

# YTD Financial Results

$ in Millions

- Higher Adjusted PTC[1] driven primarily by MCAC and US & Utilities SBUs
- Partially offset by planned outages and asset sales

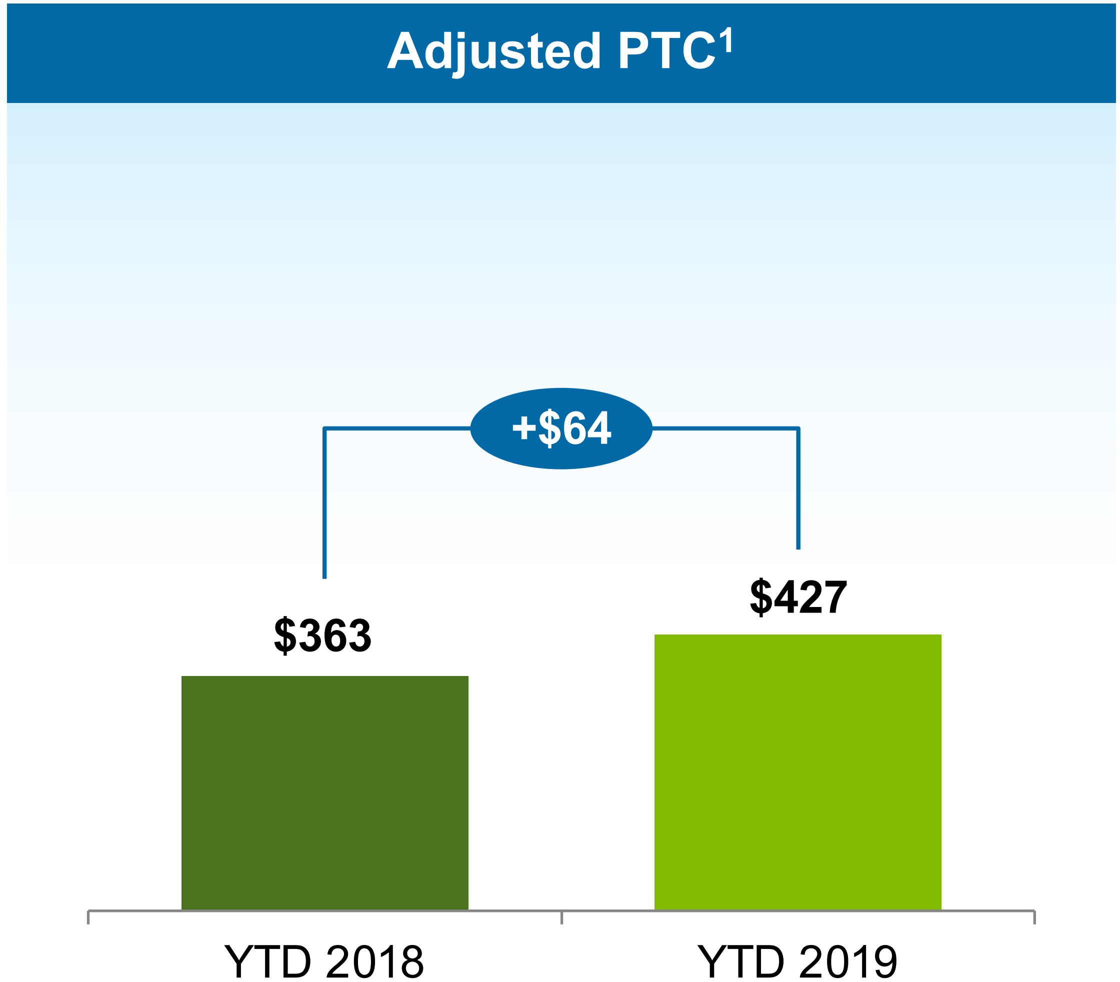



1. A non-GAAP financial measure. See Slide 50 for reconciliation to the nearest GAAP measure and "definitions".

# YTD Financial Results: US & Utilities SBU

$ in Millions

- Higher Adjusted PTC[1] driven primarily by:
  - Resolution of regulated rate cases in late 2018, and lower asset retirement obligations at DPL;
  - Contributions from renewables; and
  - Higher energy sales at Southland
- Partially offset by exit of generation at DPL and Shady Point

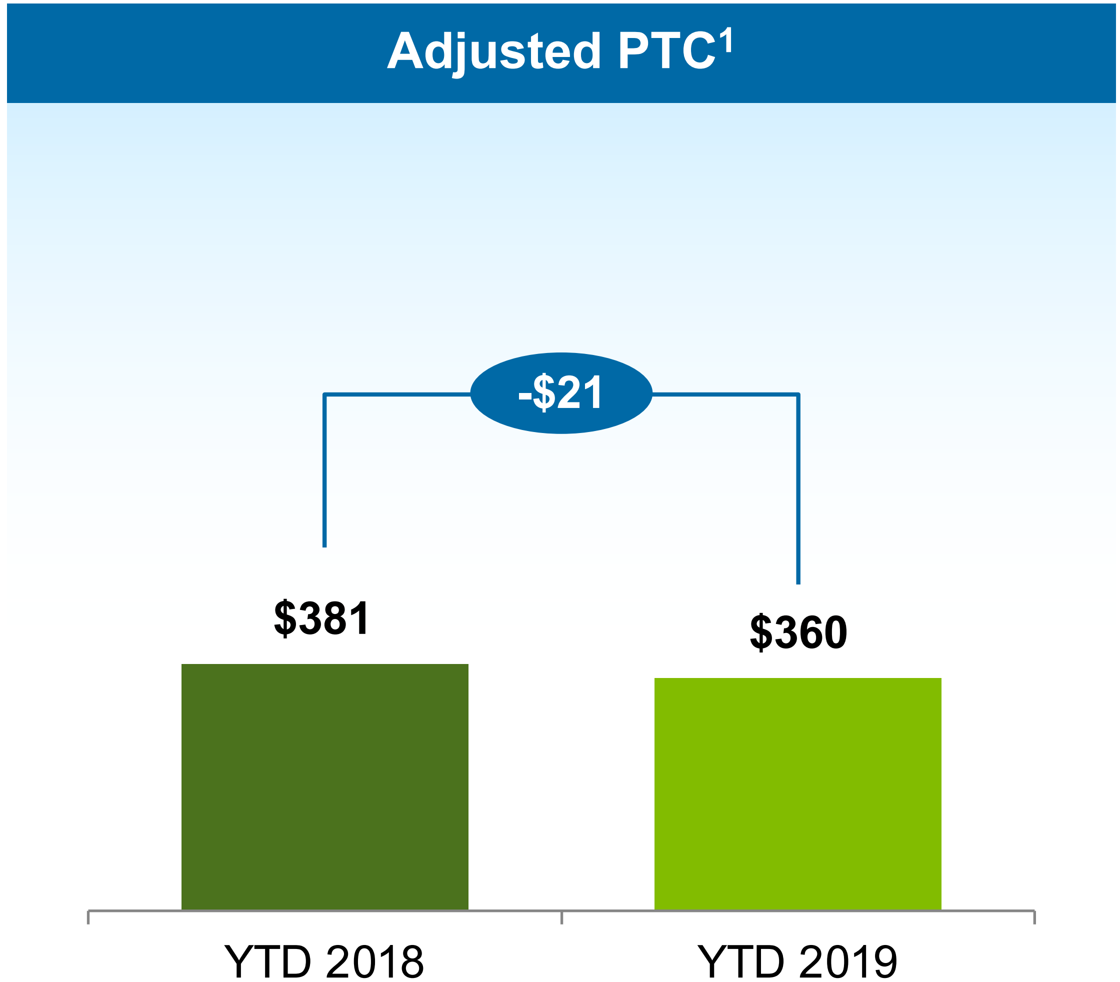



1. A non-GAAP financial measure. See "definitions".

# YTD Financial Results: South America SBU

$ in Millions

- Lower Adjusted PTC[1] driven primarily by:
  - Lower pricing and foreign currency devaluation in Colombia;
  - Lower volume and asset sales in Chile; and
  - Lower generation and lower pricing in Argentina
- Partially offset by realized foreign currency gains in Argentina

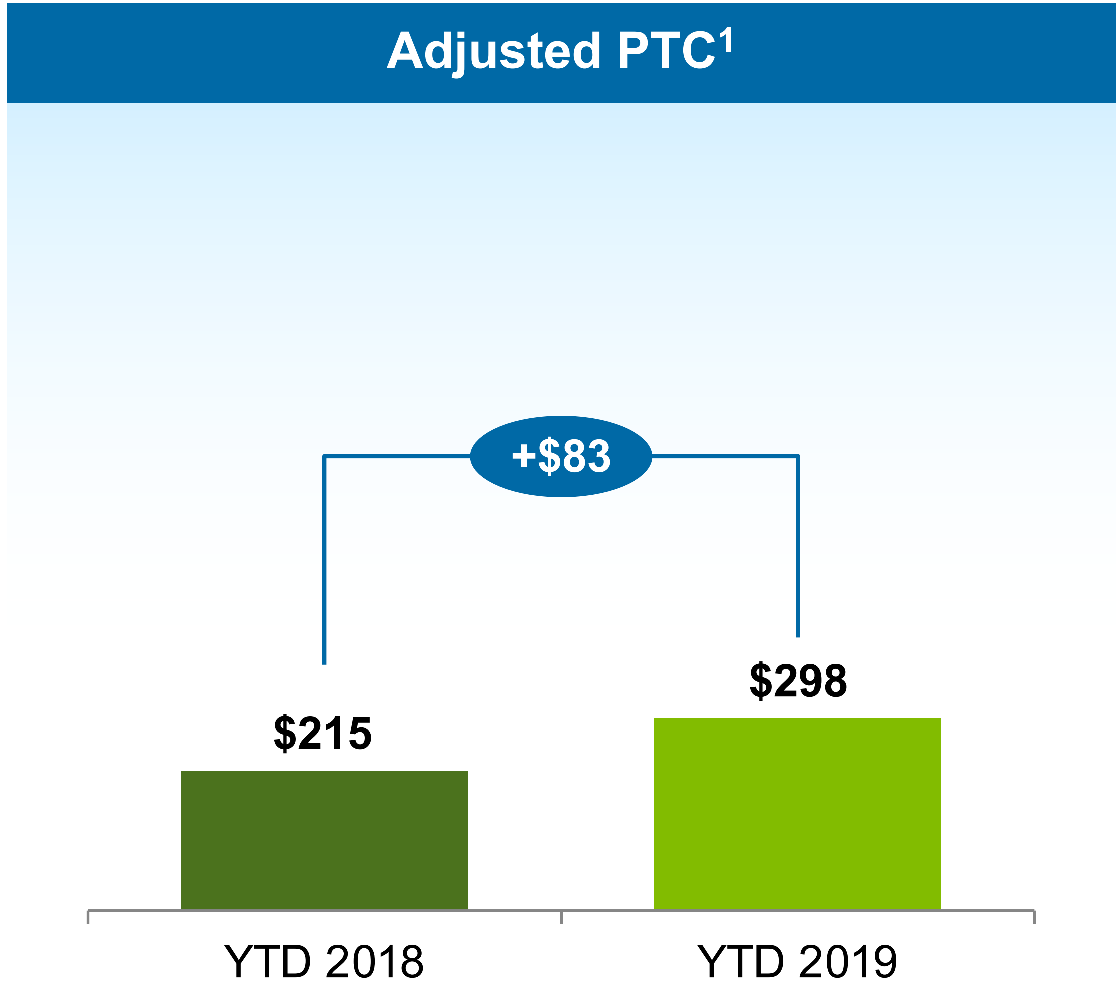



1. A non-GAAP financial measure. See "definitions".

# YTD Financial Results: MCAC SBU

$ in Millions

- Higher Adjusted PTC[1] driven primarily by:
  - Outages in the Dominican Republic in 2018 and in Panama in 2019, net of related insurance recovery in 2019; and
  - Commencement of operations at AES Colón in 2018

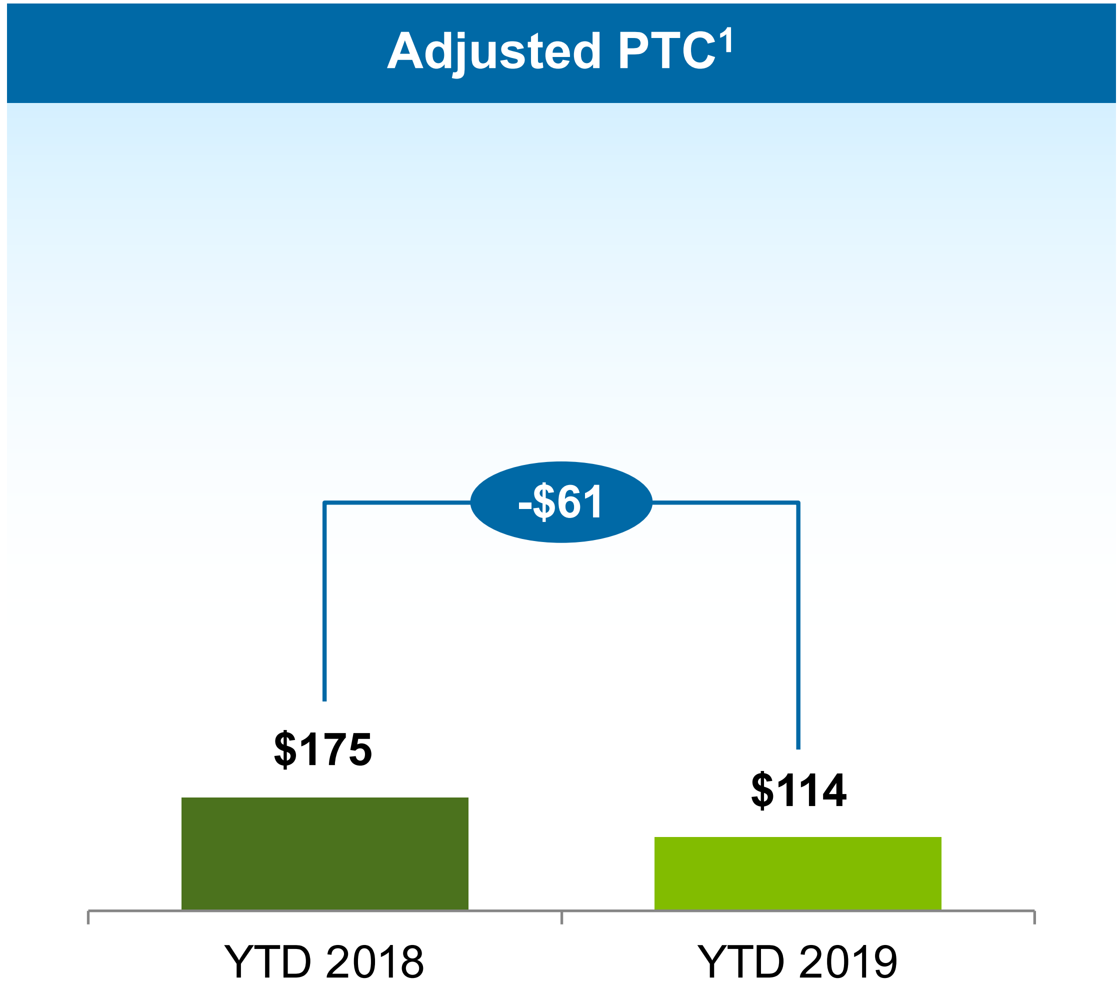



1. A non-GAAP financial measure. See “definitions”.

# YTD Financial Results: Eurasia SBU

$ in Millions

- Lower Adjusted PTC[1] driven primarily by:
  - Planned outages and sale of businesses in the United Kingdom; and
  - Sales of businesses in the Philippines and the Netherlands




1. A non-GAAP financial measure. See "definitions".

# Q3 Adjusted PTC[1]: Reconciliation to Public Financials of Listed Subsidiaries & Public Filers

This table provides financial data of those operating subsidiaries of AES that are publicly listed or have publicly filed financial information on a stand-alone basis. The table provides a reconciliation of the subsidiary's Adjusted PTC as it is included in AES consolidated Adjusted PTC with the subsidiary's income/(loss) from continuing operations under US GAAP and the subsidiary's locally IFRS reported net income, if applicable. Readers should consult the subsidiary's publicly filed reports for further details of such subsidiary's results of operations.

| AES SBU/Reporting Country | US & Utilities/US | | | | South America/Chile | | South America/Brazil | |
|---|---|---|---|---|---|---|---|---|
| AES Company | IPL | | DPL | | AES Gener[2] | | AES Tietê[2] | |
| $ in Millions | Q3 2019 | Q3 2018 | Q3 2019 | Q3 2018 | Q3 2019 | Q3 2018 | Q3 2019 | Q3 2018 |
| **US GAAP Reconciliation** | | | | | | | | |
| **AES Business Unit Adjusted Earnings[1,3]** | **$33** | **$29** | **$37** | **$25** | **$67** | **$59** | **$7** | **$4** |
| **Adjusted PTC[1,3] Public Filer (Stand-alone)** | **$42** | **$36** | **$27** | **$30** | **$97** | **$87** | **$8** | **$5** |
| Impact of AES Differences from Public Filings | - | - | - | - | - | $1 | - | - |
| **AES Business Unit Adjusted PTC[1]** | **$42** | **$36** | **$27** | **$30** | **$97** | **$88** | **$8** | **$5** |
| Unrealized Derivatives and Equity Security Gains | - | - | - | - | $12 | $3 | - | $1 |
| Unrealized Foreign Currency Gains (Losses) | - | - | - | - | ($3) | $4 | - | - |
| Impairment Expense | - | - | - | ($2) | - | - | - | - |
| Disposition/Acquisition Losses | - | - | ($1) | ($3) | - | ($13) | - | - |
| Losses on Extinguishment of Debt | - | - | - | - | ($2) | ($6) | - | - |
| Restructuring Costs | - | - | - | - | - | ($1) | - | - |
| Non-Controlling Interest before Tax | $19 | $16 | - | - | $56 | $45 | $25 | $19 |
| Income Tax Benefits (Expenses) | ($13) | ($10) | $9 | ($4) | ($50) | ($42) | ($4) | ($7) |
| **US GAAP Income/(Loss) from Continuing Operations[4]** | **$48** | **$42** | **$35** | **$21** | **$110** | **$78** | **$29** | **$18** |
| Adjustment to Depreciation & Amortization[5] | | | | | ($9) | ($10) | ($3) | ($3) |
| Adjustment to Taxes | | | | | ($2) | $2 | - | $1 |
| Other Adjustments | | | | | ($12) | ($16) | ($1) | ($7) |
| **IFRS Net Income** | | | | | **$87** | **$54** | **$25** | **$9** |
| BRL-USD Implied Exchange Rate | | | | | | | 3.9784 | 3.9124 |

1. A non-GAAP financial measure. Reconciliation provided above. See "definitions" for descriptions of adjustments.
2. The listed subsidiary is a public filer in its home country and reports its financial results locally under IFRS. Accordingly certain adjustments presented under IFRS Reconciliation are required to account for differences between US GAAP and local IFRS standards.
3. Total Adjusted PTC, US GAAP Income from continuing operations and intervening adjustments are calculated before the elimination of inter-segment transactions such as revenue and expenses related to the transfer of electricity from AES generation plants to AES utilities.
4. Represents the income/(loss) from continuing operations of the subsidiary included in the consolidated operating results of AES under US GAAP.
5. Adjustment to depreciation and amortization expense represents additional expense required due primarily to basis differences of long-lived and intangible assets under IFRS for each reporting period.

# Q3 2019 Modeling Disclosures

$ in Millions

| | Adjusted PTC[1] | Interest Expense | | | Interest Income | | | Depreciation & Amortization | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Consolidated | Attributable to NCI | Ownership-Adjusted | Consolidated | Attributable to NCI | Ownership-Adjusted | Consolidated | Attributable to NCI | Ownership-Adjusted |
| **US & Utilities** | **$187** | **$74** | **($10)** | **$64** | **$5** | **-** | **$5** | **$120** | **($19)** | **$101** |
| DPL | $27 | $18 | - | $18 | - | - | - | $18 | - | $18 |
| IPL | $42 | $31 | ($10) | $21 | - | - | - | $60 | ($18) | $42 |
| **South America** | **$139** | **$61** | **($29)** | **$32** | **$27** | **($7)** | **$20** | **$79** | **($33)** | **$46** |
| AES Gener | $97 | $31 | ($13) | $18 | $3 | ($1) | $2 | $57 | ($22) | $35 |
| AES Tietê | $8 | $21 | ($16) | $5 | $7 | ($5) | $2 | $15 | ($11) | $4 |
| **MCAC** | **$185** | **$34** | **($10)** | **$24** | **$3** | **($1)** | **$2** | **$43** | **($14)** | **$29** |
| **Eurasia** | **$19** | **$32** | **($13)** | **$19** | **$45** | **($22)** | **$23** | **$16** | **($1)** | **$15** |
| **Subtotal** | **$530** | **$201** | **($62)** | **$139** | **$80** | **($30)** | **$50** | **$258** | **($67)** | **$191** |
| Corp/Other | ($104) | $49 | - | $49 | $1 | - | $1 | $4 | - | $4 |
| **Total** | **$426** | **$250** | **($62)** | **$188** | **$81** | **($30)** | **$51** | **$262** | **($67)** | **$195** |

1. A non-GAAP financial measure. See Slide 49 for reconciliation to the nearest GAAP measure and “definitions”.

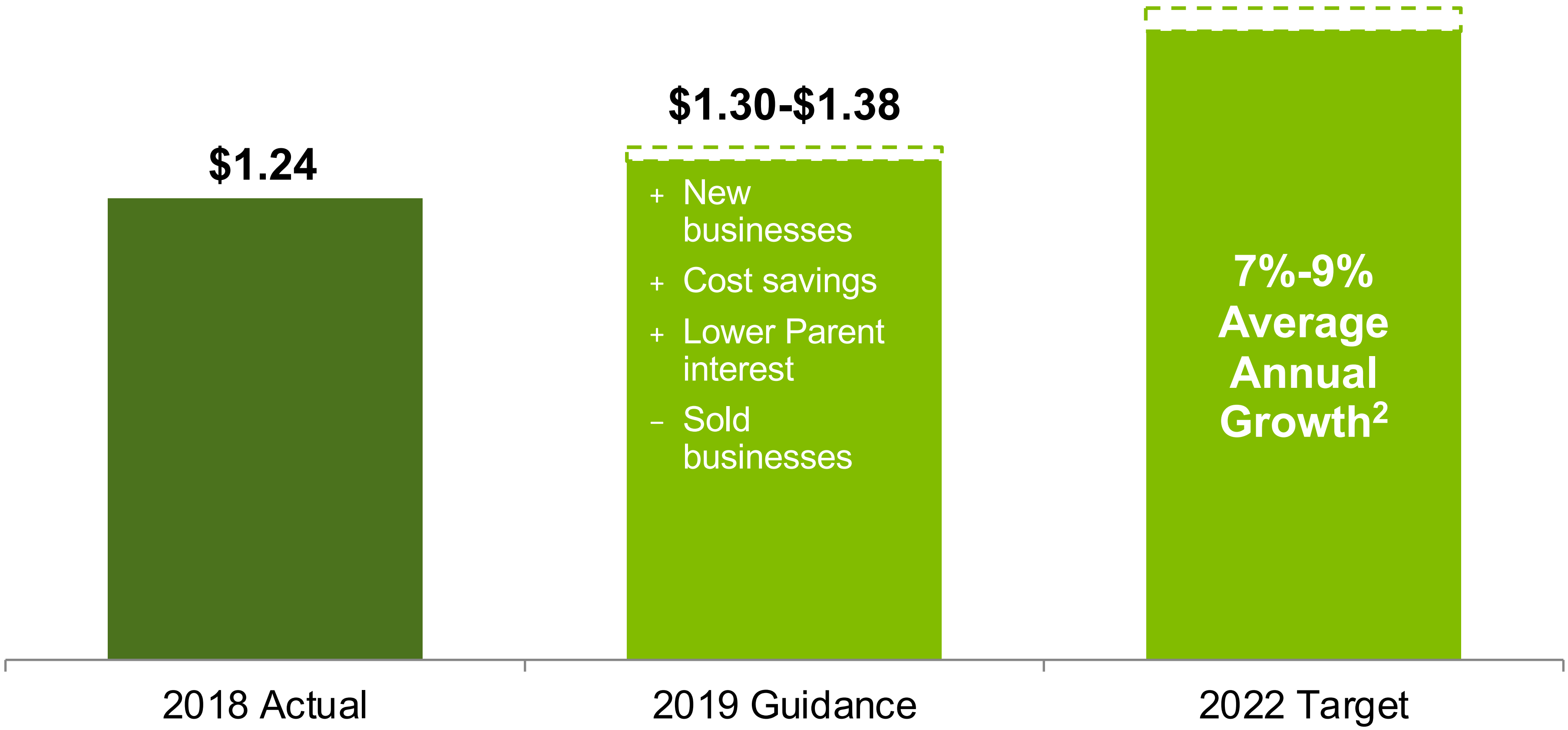
# Q3 2019 Modeling Disclosures

$ in Millions

| | Total Debt | | | Cash & Cash Equivalents, Restricted Cash, Short-Term Investments, Debt Service Reserves & Other Deposits | | |
|---|---|---|---|---|---|---|
| | Consolidated | Attributable to NCI | Ownership-Adjusted | Consolidated | Attributable to NCI | Ownership-Adjusted |
| **US & Utilities** | **$7,139** | **($803)** | **$6,336** | **$551** | **($21)** | **$530** |
| DPL | $1,461 | - | $1,461 | $54 | - | $54 |
| IPL | $2,651 | ($795) | $1,856 | $49 | ($15) | $34 |
| **South America** | **$5,276** | **($2,330)** | **$2,946** | **$928** | **($472)** | **$456** |
| AES Gener | $3,878 | ($1,571) | $2,307 | $422 | ($173) | $249 |
| AES Tietê | $1,001 | ($758) | $243 | $370 | ($280) | $90 |
| **MCAC** | **$2,305** | **($687)** | **$1,618** | **$423** | **($97)** | **$326** |
| **Eurasia** | **$1,485** | **($547)** | **$938** | **$152** | **($29)** | **$123** |
| **Subtotal** | **$16,205** | **($4,367)** | **$11,838** | **$2,054** | **($619)** | **$1,435** |
| Corp/Other | $3,561 | - | $3,561 | $121 | - | $121 |
| **Total** | **$19,766** | **($4,367)** | **$15,399** | **$2,175** | **($619)** | **$1,556** |

# Adjusted EPS[1] Guidance and Longer-Term Growth Rate Target

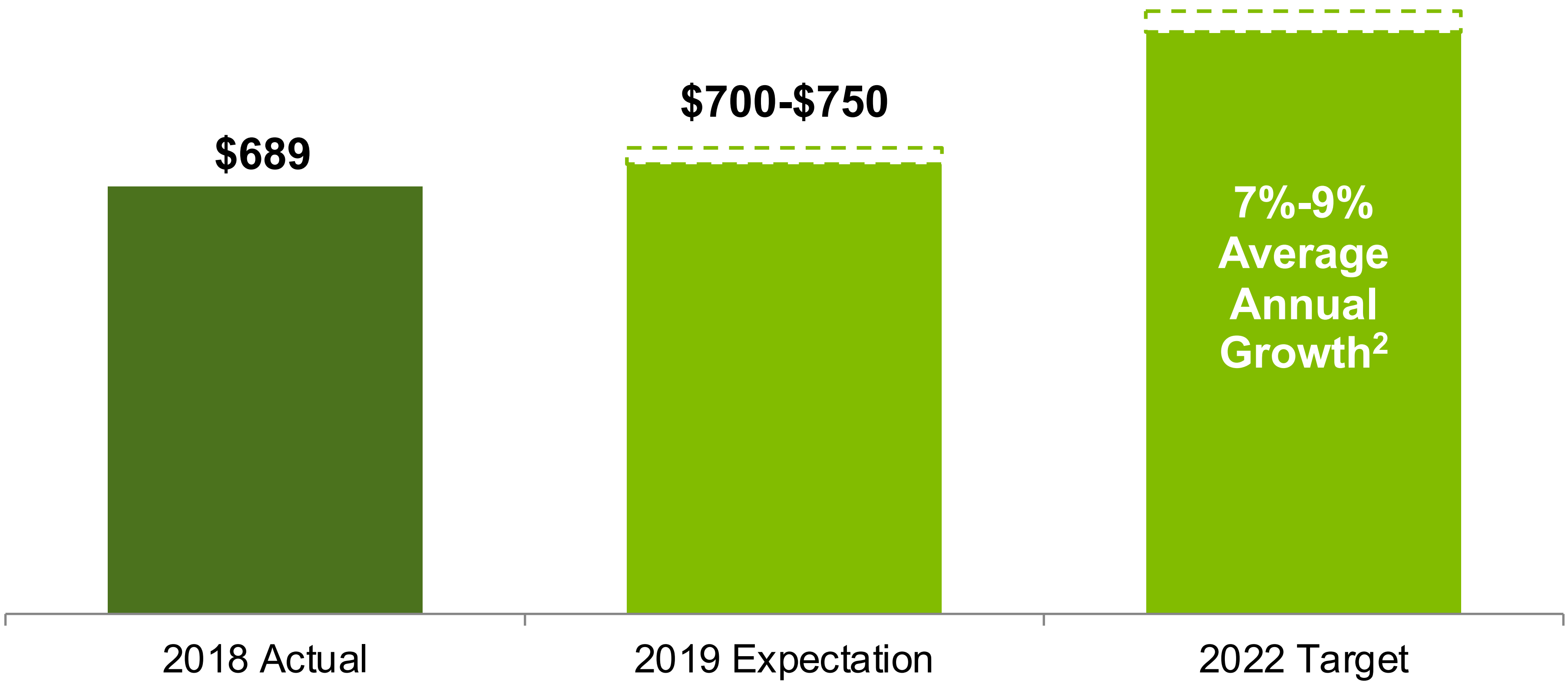
$ Per Share




1. A non-GAAP financial measure. See "definitions". The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted EPS guidance without unreasonable effort. See Slide 50 for a description of the adjustments to reconcile Adjusted EPS to diluted EPS for YTD 2019.
2. From a base of 2018 Adjusted EPS of $1.24.

# Parent Free Cash Flow[1] Expectation and Longer-Term Growth Rate Target

$ in Millions




1. A non-GAAP financial measure. The Company is not able to provide corresponding GAAP equivalent or GAAP reconciliation for its Parent Free Cash Flow expectation without unreasonable effort. See "definitions".
2. From a base of 2018 Parent Free Cash Flow of $689 million.

# 2019 Adjusted PTC Modeling Ranges

$ in Millions

| SBU | 2019 Adjusted PTC Modeling Ranges as of 2/27/19[1] | Drivers of Growth Versus 2018 |
|---|---|---|
| US and Utilities | $540-$570 | + Renewables growth<br>+ Regulated rate cases<br>– DPL generation and Shady Point asset sales |
| South America | $480-$510 | |
| MCAC | $360-$390 | + Partial recovery from 2018 lightning incident in the DR<br>+ AES Colón operations |
| Eurasia | $180-$190 | – Sold businesses<br>+ OPGC 2 operations |
| **Total SBUs** | **$1,560-$1,660** | |
| Corporate & Other[2] | ($330)-($360) | + Cost reductions<br>+ Lower Parent interest |
| **Total AES Adjusted PTC[1,2]** | **$1,230-$1,300** | |

1. A non-GAAP financial metric. See “definitions”.
2. Total AES Adjusted PTC includes after-tax adjusted equity in earnings.

# AES Modeling Disclosures

$ in Millions

| | 2019 |
|---|---|
| **Subsidiary Distributions (a)** | **$1,115-$1,165** |
| **Cash Interest (b)** | **($200)** |
| Corporate Overhead | ($150) |
| Parent-Funded SBU Overhead | ($55) |
| Business Development/Taxes | ($10) |
| **Cash for Development, General & Administrative and Tax (c)** | **($215)** |
| **Parent Free Cash Flow[1] (a – b – c)** | **$700-$750** |

1. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Parent Free Cash Flow expectation without unreasonable effort. See “definitions”.

# Year-to-Go 2019 Guidance Estimated Sensitivities

**Interest Rates**[1]

- 100 bps increase in interest rates over YTG 2019 is forecasted to have a change in Adjusted EPS of approximately ($0.050)

**Currencies**

| 10% appreciation of USD against following currencies is forecasted to have the following Adjusted EPS impacts: | Year-to-Go 2019 | |
|---|---|---|
| | Average Rate | Sensitivity |
| Argentine Peso (ARS) | 67.17 | Less than ($0.005) |
| Brazilian Real (BRL) | 4.17 | Less than ($0.005) |
| Chilean Peso (CLP) | 728 | Less than $0.005 |
| Colombian Peso (COP) | 3,485 | Less than ($0.005) |
| Euro (EUR) | 1.09 | Less than ($0.005) |
| Indian Rupee (INR) | 71.08 | Less than $0.005 |
| Mexican Peso (MXN) | 19.88 | $0.01 |

**Commodity**

| 10% increase in commodity prices is forecasted to have the following Adjusted EPS impacts: | Year-to-Go 2019 | |
|---|---|---|
| | Average Rate | Sensitivity |
| IPE Brent Crude Oil | $60.27/bbl | Less than $0.005 |
| NYMEX Henry Hub Natural Gas | $2.4/mmbtu | Less than $0.005 |
| Rotterdam Coal (API 2) | $62/ton | Less than ($0.005) |
| US Power – SP15 | $37.18/MWh | Less than $0.005 |

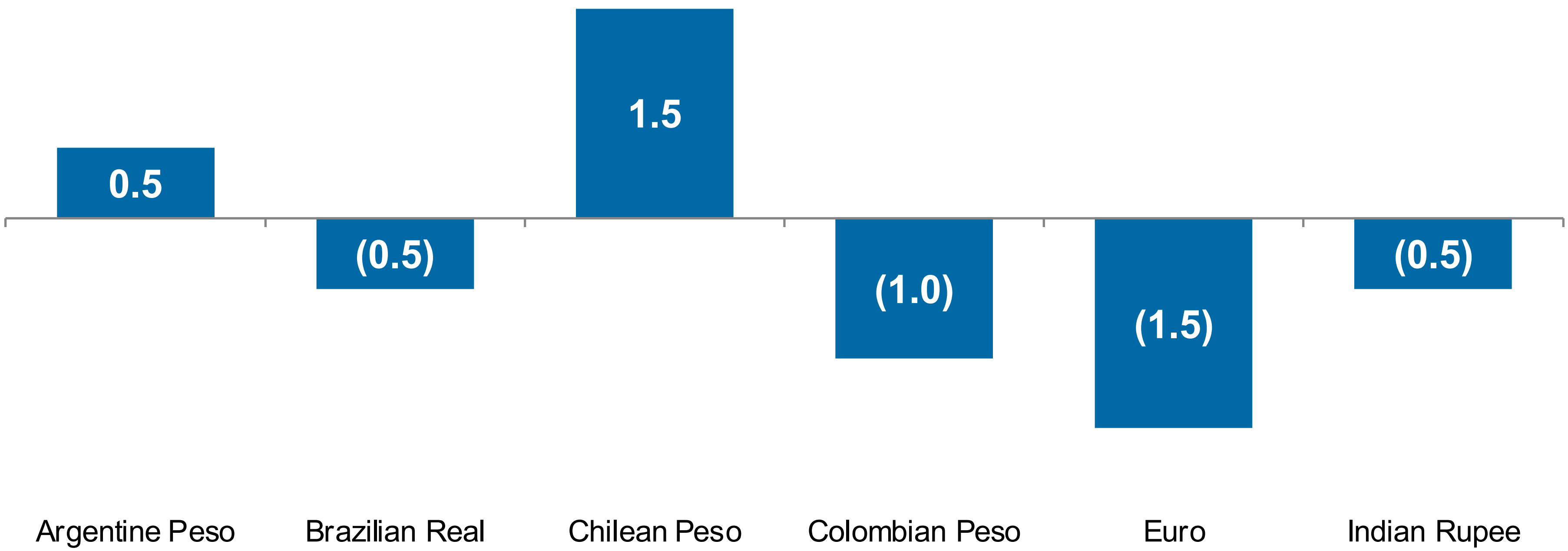
Note: Guidance reaffirmed on November 6, 2019. Sensitivities are provided on a standalone basis, assuming no change in the other factors, to illustrate the magnitude and direction of changing key market factors on AES' results. Estimates show the impact on year-to-go 2019 Adjusted EPS. Actual results may differ from the sensitivities provided due to execution of risk management strategies, local market dynamics and operational factors. Reaffirmed 2019 guidance is based on currency and commodity forward curves and forecasts as of September 30, 2019. There are inherent uncertainties in the forecasting process and actual results may differ from projections. The Company undertakes no obligation to update the guidance presented. Please see Item 3 of the Form 10-Q for a more complete discussion of this topic. AES has exposure to multiple coal, oil, natural gas and power indices; forward curves are provided for representative liquid markets. Sensitivities are rounded to the nearest $0.005 per share.

1. The move is applied to the floating interest rate portfolio balances as of September 30, 2019.

# Foreign Exchange (FX) Risk Before Hedges

Cents Per Share, Exposures Before Hedges

## Full Year 2020 Adjusted EPS[1] FX Sensitivity[2]



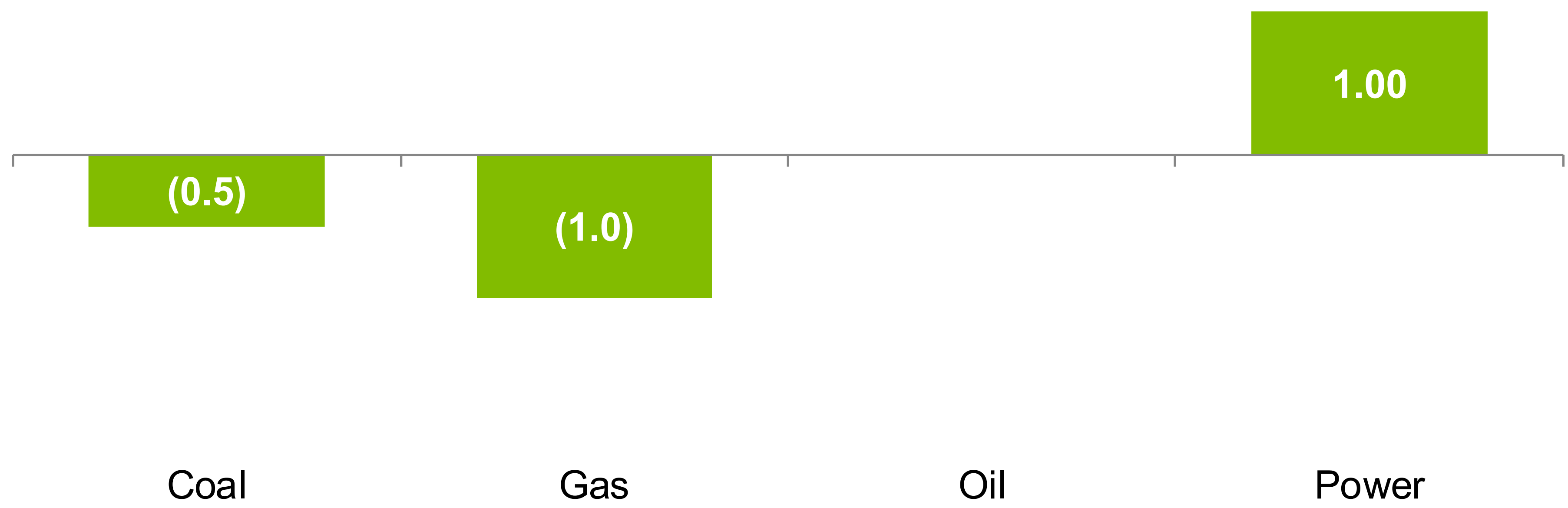

- 2020 FX risk before hedges for 10% US dollar appreciation against foreign currency
- FX risk mitigated on a rolling basis by active FX hedging

1. A non-GAAP financial measure. See “definitions”.
2. Sensitivity represents full year 2020 exposure as of December 31, 2018.

# Commodity Risk

Cents Per Share

## Full Year 2020 Adjusted EPS[1] Commodity Sensitivity[2]




1. A non-GAAP financial measure. See “definitions”.
2. Sensitivities assumes fuel moves 10% relative to commodities as of December 31, 2018. Adjusted EPS is negatively correlated to coal and gas price movement, and positively correlated oil and power price movements.

# Projects Under Construction Expected to Earn Double Digit After-Tax Returns

$ in Millions, Unless Otherwise Stated

| Project | Country | AES Ownership | Fuel/Technology | Gross MW | Expected COD | Total Capex | Total AES Equity |
|---|---|---|---|---|---|---|---|
| **Construction Projects Coming On-Line 2019-2021** | | | | | | | |
| Global Renewables | Various | 24%-100% | Wind/Solar/ Energy Storage | 1,200 | 2H 2019- 2H 2021 | $1,989 | $286 |
| Southland Repowering | US-CA | 100% | Gas | 1,299 | 1H 2020 | $2,287 | $329 |
| Alto Maipo | Chile | 62% | Hydro | 531 | 2H 2020 | $3,439 | $683 |
| **Total** | | | | **3,030** | | **$7,715** | **$1,298** |

1. Commercial Operations Date.

# PPAs Signed in YTD 2019

| Project | Location | Technology | Gross MW | AES Equity Interest | Expected COD[1] | PPA Length (Years) |
|---|---|---|---|---|---|---|
| AES Distributed Energy (AES DE) | US-Various | Solar | 142 | 100% | 1H-2H 2020 | 20-25 |
| | | Energy Storage | 120 | | | |
| McDonalds | Brazil | Solar | 5 | 24% | 1H 2020 | 12 |
| Farmácias São João | Brazil | Solar | 3 | 24% | 1H 2020 | 12 |
| APS | US-AZ | Energy Storage | 100 | 100% | 1H 2021 | 20 |
| Quimpac | Colombia | Solar | 13 | 67% | 1H 2021 | 10 |
| Skipjack (Keydet, sPower) | US-VA | Solar | 175 | 50% | 2H 2021 | 15 |
| Clover Creek (sPower) | US-UT | Solar | 80 | 50% | 2H 2021 | 25 |
| Mantos Copper | Chile | Solar/Wind | 181 | 34% | 1H 2022 | 15 |
| Gensa | Colombia | Wind | 200 | 67% | 1H 2023 | 15 |
| **Total Signed in 1H 2019** | | | **1,019** | | | |
| Los Cururos | Chile | Wind | 110 | 67% | In Operation[2] | 2-3 |
| AES DE | US-Various | Solar | 30 | 100% | 1H 2020-1H 2021 | 20 |
| | | Energy Storage | 5 | | | |
| Bayasol | Dominican Republic | Solar | 37 | 85% | 2H 2020 | 3 |
| Banco General + Panafoto | Panama | Solar | 5 | 49% | 2H 2020 | 10 |
| Google | Chile | Solar | 35 | 67% | 2H 2020 | 13 |
| | | Wind | 90 | | 2H 2021 | |
| Central Line (sPower) | US-AZ | Solar | 100 | 50% | 2H 2021 | 20 |
| Pizzarete | Dominican Republic | Solar | 4 | 85% | 1H 2022 | 10 |
| Guadalupe | Mexico | Wind | 300 | | 2H 2022 | 25 |
| Raceway 1 (sPower) | US-CA | Solar | 125 | 50% | 2H 2022 | 20 |
| | | Energy Storage | 80 | | | |
| **Total Signed in Q3 2019** | | | **921** | | | |
| **Total** | | | **1,940** | | | |

1. Commercial Operations Date.
2. Acquisition expected to close in Q4 2019.

# Reconciliation of Q3 Adjusted PTC[1] and Adjusted EPS[1]

| $ in Millions, Except Per Share Amounts | Q3 2019 Net of NCI[2] | Q3 2019 Per Share (Diluted) Net of NCI[2] | Q3 2018 Net of NCI[2] | Q3 2018 Per Share (Diluted) Net of NCI[2] |
|---|---|---|---|---|
| Income from Continuing Operations, Net of Tax, Attributable to AES and Diluted EPS | $210 | $0.32 | $102 | $0.15 |
| Add: Income Tax Expense from Continuing Operations Attributable to AES | $94 | | $120 | |
| Pre-Tax Contribution | $304 | | $222 | |
| **Adjustments** | | | | |
| Unrealized Derivative and Equity Securities Losses | $69 | $0.10[3] | $16 | $0.02 |
| Unrealized Foreign Currency Losses (Gains) | $31 | $0.05[4] | ($7) | - |
| Disposition/Acquisition Losses (Gains) | ($17) | ($0.03)[5] | $17 | $0.02 |
| Impairment Expense | $1 | - | $80 | $0.12[6] |
| Loss (Gain) on Extinguishment of Debt | $38 | $0.06[7] | ($1) | - |
| U.S. Tax Law Reform Impact | - | - | - | $0.05[8] |
| Less: Net Income Tax Expense (Benefit) | - | ($0.02) | - | ($0.01) |
| **Adjusted PTC[1] & Adjusted EPS[1]** | **$426** | **$0.48** | **$327** | **$0.35** |

1. A Non-GAAP financial measure. See “definitions”.
2. NCI is defined as Noncontrolling Interests.
3. Amount primarily relates to unrealized derivative losses in Argentina of $71 million, or $0.11 per share, mainly associated with foreign currency derivatives on government receivables.
4. Amount primarily relates to unrealized FX losses in Argentina of $11 million, or $0.02 per share, mainly associated with the devaluation of long-term receivables denominated in Argentine pesos; and unrealized FX losses at the Parent Company of $18 million, or $0.03 per share, mainly associated with intercompany receivables denominated in Euro.
5. Amount primarily relates to gain on sale of ownership interest in Simple Energy as part of the Uplight merger of $13 million, or $0.02 per share, and realized derivative gains associated with the sale of Kilroot and Ballylumford of $7 million, or $0.01 per share.
6. Amount primarily relates to the asset impairment at Shady Point of $73 million, or $0.11 per share.
7. Amount primarily relates to losses on early retirement of debt at Mong Duong of $16 million, or $0.02 per share, and Colón of $14 million, or $0.02 per share.
8. Amount relates to a charge to true-up the provisional estimate of U.S. tax reform of $33 million, or $0.05 per share.

# Reconciliation of YTD Adjusted PTC[1] and Adjusted EPS[1]

| $ in Millions, Except Per Share Amounts | YTD 2019 | | YTD 2018 | |
|---|---|---|---|---|
| | Net of NCI[2] | Per Share (Diluted) Net of NCI[2] | Net of NCI[2] | Per Share (Diluted) Net of NCI[2] |
| Income from Continuing Operations, Net of Tax, Attributable to AES and Diluted EPS | $380 | $0.57 | $883 | $1.33 |
| Add: Income Tax Expense from Continuing Operations Attributable to AES | $215 | | $411 | |
| Pre-Tax Contribution | $595 | | $1,294 | |
| **Adjustments** | | | | |
| Unrealized Derivative and Equity Securities Losses | $78 | $0.12[3] | $4 | $0.01[3] |
| Unrealized Foreign Currency Losses | $49 | $0.06[4] | $42 | $0.06[5] |
| Disposition/Acquisition Losses (Gains) | ($3) | - | ($822) | ($1.24)[6] |
| Impairment Expense | $124 | $0.19[7] | $172 | $0.26[8] |
| Loss on Extinguishment of Debt | $95 | $0.14[9] | $177 | $0.27[10] |
| Restructuring Costs | - | - | $3 | - |
| U.S. Tax Law Reform Impact | - | $0.01 | - | $0.05[11] |
| Less: Net Income Tax Expense (Benefit) | - | ($0.07)[12] | - | $0.14[13] |
| **Adjusted PTC[1] & Adjusted EPS[1]** | **$938** | **$1.02** | **$870** | **$0.88** |

1. A Non-GAAP financial measure. See "definitions".
2. NCI is defined as Noncontrolling Interests.
3. Amount primarily relates to unrealized derivative losses in Argentina of $77 million, or $0.12 per share, mainly associated with foreign currency derivatives on government receivables.
4. Amount primarily relates to unrealized FX losses in Argentina of $23 million, or $0.03 per share, and $20 million, or $0.03 per share, for the nine months ended September 30, 2019, and 2018, respectively, mainly associated with the devaluation of long-term receivables denominated in Argentine pesos; and unrealized FX losses at the Parent Company of $22 million, or $0.03 per share, and $9 million, or $0.01 per share, for the nine months ended September 30, 2019, and 2018, respectively, mainly associated with intercompany receivables denominated in Euro.
5. Amount primarily relates to unrealized FX losses in Argentina of $20 million, or $0.03 per share, mainly associated with the devaluation of long-term receivables denominated in Argentine pesos, and unrealized FX losses at the Parent Company of $9 million, or $0.01 per share, mainly associated with intercompany receivables denominated in Euro.
6. Amount primarily relates to gain on sale of Masinloc of $773 million, or $1.16 per share, gain on sale of Electrica Santiago of $36 million, or $0.05 per share, and realized derivative gains associated with the sale of Eletropaulo of $21 million, or $0.03 per share.
7. Amount primarily relates to asset impairments at Kilroot and Ballylumford of $115 million, or $0.17 per share.
8. Amount primarily relates to the asset impairment at Shady Point of $156 million, or $0.23 per share.
9. Amount primarily relates to losses on early retirement of debt at DPL of $45 million, or $0.07 per share, Mong Duong of $16 million, or $0.02 per share, and Colón of $14 million, or $0.02 per share.
10. Amount primarily relates to loss on early retirement of debt at the Parent Company of $169 million, or $0.25 per share.
11. Amount relates to a charge to true-up the provisional estimate of U.S. tax reform of $33 million, or $0.05 per share..
12. Amount primarily relates to income tax benefits associated with the impairments at Kilroot and Ballylumford of $17 million, or $0.03 per share, and income tax benefits associated with losses on early retirement of debt at DPL, Mong Duong and Colon of $24 million, or $0.04 per share.
13. Amount primarily relates to the income tax expense under the GILTI provision associated with the gains on sales of business interests, primarily Masinloc, of $155 million, or $0.23 per share, and income tax expense associated with the gain on sale of Electrica Santiago of $19 million, or $0.03 per share; partially offset by income tax benefits associated with the loss on early retirement of debt at the Parent Company of $52 million, or $0.08 per share, and income tax benefits associated with the impairment at Shady Point of $35 million, or $0.05 per share.

# Assumptions

Forecasted financial information is based on certain material assumptions. Such assumptions include, but are not limited to: (a) no unforeseen external events such as wars, depressions, or economic or political disruptions occur; (b) businesses continue to operate in a manner consistent with or better than prior operating performance, including achievement of planned productivity improvements including benefits of global sourcing, and in accordance with the provisions of their relevant contracts or concessions; (c) new business opportunities are available to AES in sufficient quantity to achieve its growth objectives; (d) no material disruptions or discontinuities occur in the Gross Domestic Product (GDP), foreign exchange rates, inflation or interest rates during the forecast period; and (e) material business-specific risks as described in the Company's SEC filings do not occur individually or cumulatively. In addition, benefits from global sourcing include avoided costs, reduction in capital project costs versus budgetary estimates, and projected savings based on assumed spend volume which may or may not actually be achieved. Also, improvement in certain Key Performance Indicators (KPIs) such as equivalent forced outage rate and commercial availability may not improve financial performance at all facilities based on commercial terms and conditions. These benefits will not be fully reflected in the Company's consolidated financial results.

The cash held at qualified holding companies ("QHCs") represents cash sent to subsidiaries of the Company domiciled outside of the U.S. Such subsidiaries had no contractual restrictions on their ability to send cash to AES, the Parent Company; however, cash held at qualified holding companies does not reflect the impact of any tax liabilities that may result from any such cash being repatriated to the Parent Company in the U.S. Cash at those subsidiaries was used for investment and related activities outside of the U.S. These investments included equity investments and loans to other foreign subsidiaries as well as development and general costs and expenses incurred outside the U.S. Since the cash held by these QHCs is available to the Parent, AES uses the combined measure of subsidiary distributions to Parent and QHCs as a useful measure of cash available to the Parent to meet its international liquidity needs. AES believes that unconsolidated parent company liquidity is important to the liquidity position of AES as a parent company because of the non-recourse nature of most of AES' indebtedness.

# Definitions

- **Adjusted Earnings Per Share**, a non-GAAP financial measure, is defined as diluted earnings per share from continuing operations excluding gains or losses of both consolidated entities and entities accounted for under the equity method due to (a) unrealized gains or losses related to derivative transactions and equity securities; (b) unrealized foreign currency gains or losses; (c) gains, losses, benefits and costs associated with dispositions and acquisitions of business interests, including early plant closures, and the tax impact from the repatriation of sales proceeds; (d) losses due to impairments; (e) gains, losses and costs due to the early retirement of debt; (f) costs directly associated with a major restructuring program, including, but not limited to, workforce reduction efforts, relocations, and office consolidation; and (g) tax benefit or expense related to the enactment effects of 2017 U.S. tax law reform and related regulations and any subsequent period adjustments related to enactment effects.
- **Adjusted Pre-Tax Contribution**, a non-GAAP financial measure, is defined as pre-tax income from continuing operations attributable to The AES Corporation excluding gains or losses of the consolidated entity due to (a) unrealized gains or losses related to derivative transactions and equity securities; (b) unrealized foreign currency gains or losses; (c) gains, losses, benefits and costs associated with dispositions and acquisitions of business interests, including early plant closures; (d) losses due to impairments; (e) gains, losses and costs due to the early retirement of debt; and (f) costs directly associated with a major restructuring program, including, but not limited to, workforce reduction efforts, relocations, and office consolidation. Adjusted PTC also includes net equity in earnings of affiliates on an after-tax basis adjusted for the same gains or losses excluded from consolidated entities. Adjusted PTC reflects the impact of NCI and excludes the items specified in the definition above. In addition to the revenue and cost of sales reflected in Operating Margin, Adjusted PTC includes the other components of our Consolidated Statement of Operations, such as general and administrative expenses in the corporate segment, as well as business development costs, interest expense and interest income, other expense and other income, realized foreign currency transaction gains and losses, and net equity in earnings of affiliates.
- **NCI** is defined as noncontrolling interests.
- **Parent Company Liquidity** (a non-GAAP financial measure) is defined as as cash available to the Parent Company plus available borrowings under existing credit facility plus cash at qualified holding companies (“QHCs”). The cash held at qualified holding companies represents cash sent to subsidiaries of the Company domiciled outside of the U.S. Such subsidiaries have no contractual restrictions on their ability to send cash to the Parent Company.
- **Parent Free Cash Flow** (a non-GAAP financial measure) should not be construed as an alternative to Net Cash Provided by Operating Activities which is determined in accordance with GAAP. Parent Free Cash Flow is equal to Subsidiary Distributions less cash used for interest costs, development, general and administrative activities, and tax payments by the Parent Company. Parent Free Cash Flow is used for dividends, share repurchases, growth investments, recourse debt repayments, and other uses by the Parent Company.
- **Subsidiary Liquidity** (a non-GAAP financial measure) is defined as cash and cash equivalents and bank lines of credit at various subsidiaries.
- **Subsidiary Distributions** should not be construed as an alternative to Net Cash Provided by Operating Activities which is determined in accordance with GAAP. Subsidiary Distributions are important to the Parent Company because the Parent Company is a holding company that does not derive any significant direct revenues from its own activities but instead relies on its subsidiaries’ business activities and the resultant distributions to fund the debt service, investment and other cash needs of the holding company. The reconciliation of the difference between the Subsidiary Distributions and Net Cash Provided by Operating Activities consists of cash generated from operating activities that is retained at the subsidiaries for a variety of reasons which are both discretionary and non-discretionary in nature. These factors include, but are not limited to, retention of cash to fund capital expenditures at the subsidiary, cash retention associated with non-recourse debt covenant restrictions and related debt service requirements at the subsidiaries, retention of cash related to sufficiency of local GAAP statutory retained earnings at the subsidiaries, retention of cash for working capital needs at the subsidiaries, and other similar timing differences between when the cash is generated at the subsidiaries and when it reaches the Parent Company and related holding companies.