

The AES Corporation

First Quarter 2025
Financial Review



May 2, 2025



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 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' 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, except as required by law.

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.

Q1 2025 Results in Line with Our Expectations

Financial Results

- Adjusted EBITDA¹ of \$591 million
- Adjusted EPS¹ of \$0.27

Strategic Highlights

- Signed or awarded 443 MW of new PPAs for renewables; backlog now 11.7 GW
- Completed construction of 643 MW of renewables; remaining 2.6 GW of projects under construction for 2025 now ~80% complete
- Insulated supply chain from tariffs with nearly all major equipment for US renewables in-country or contracted for domestic supply
- Achieved asset sale proceeds target for 2025 with the sale of a minority stake in our global insurance company, AGIC², for \$450 million

Reaffirming 2025 Guidance & Long-Term Growth Rate Targets

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

2. AES Global Insurance Company.

3.2 GW of New Projects a Major Driver of 2025 Adjusted EBITDA¹ Growth

250 MW Morris Solar



→ Completed in April 2025

1 GW Bellefield 1 Solar + Storage






→ Expected to be fully operational in summer 2025

**Year-to-Date 2025, Completed Construction of 643 MW;
Remaining ~2.6 GW of Projects Under Construction ~80% Complete**

1. A non-GAAP financial measure. See Appendix for definition.

Supply Chain Strategy Provides Strong Protections from Tariffs

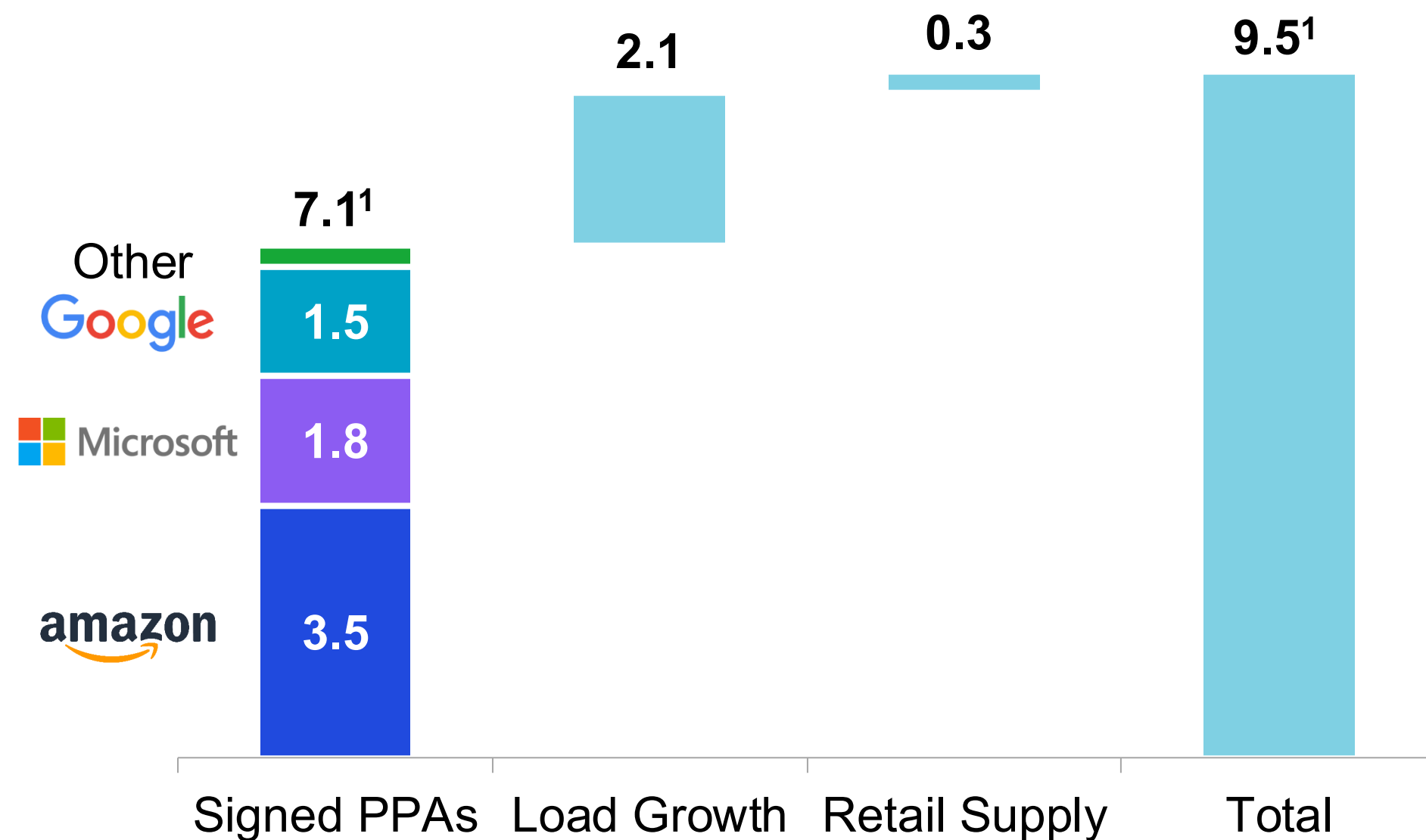
~\$50¹ Million Exposure Represents Only 0.3% of Total US CapEx

Technology		Share of 2025-2027 US Backlog	Estimated Tariff Exposure, Including Reciprocal Tariffs (\$ in Millions)		
			2025	2026	2027
	Solar ²	55%	\$0	\$0	\$0
	Energy Storage	30%	\$0	\$48	\$2
	Wind	15%	\$0	\$0	\$0
Total			~\$50 ¹		

1. Exposure limited to small quantity of batteries being imported from outside China for projects coming online in 2026. Actively working to further mitigate this amount.
2. Includes trackers and racking equipment.

We Expect Strong Demand from Our Customers Under Any Scenario

We Have Signed 9.5 GW Directly with Technology Customers



We Expect Renewables to be the Primary Source of New Energy

- 1 Fastest time to power
- 2 Low-cost source of power
- 3 Price stability

Through 2030, Increased US Electricity Demand Requires at Least 425 GW of New Capacity²

1. Includes agreements that have been signed directly with technology companies. PPAs are either in operation or in the backlog. Does not include more than 500 MW of contracts signed through Green Tariff Sleeve PPAs, where regulated utilities have contracted between AES and data center customers.

2. Source: Bloomberg New Energy Finance.

Nearly Entire US Backlog has Safe Harbor Protections



→ Safe harboring can be achieved through start of construction or incurring 5% of cost of materials



→ Projects that are safe harbored have four years to complete construction and begin receiving tax credits

Resilient to a Possible Economic Downturn

Business Model Protections

- Two-thirds of Adjusted EBITDA¹ from long-term contracted generation
 - Take-or-pay and not tied to demand
- Nearly all growth through 2027 secured through 11.7 GW backlog
- At time of PPA signing, contractually lock-in all major capital costs/EPC arrangements, and hedge long-term financing

Financing Secured

- Achieved 2025 asset sale proceeds target of \$400 to \$500 million
- Completed all financings necessary to address 2025 debt maturities
- Hedged 100% of benchmark interest rate exposure for corporate financings through 2027

1. A non-GAAP financial measure. See Appendix for definition.

Robust Growth Program at US Utilities

Ohio

- 2.1 GW of new data centers in AES Ohio's service territory
- Expect to break ground this summer on \$500 million transmission investment needed to serve new Amazon data center
- Sold a 30% stake in AES Ohio to CDPQ, a global investment partner that also owns 30% of AES Indiana

Indiana

- Investing in generation to support customers with affordable and reliable power
 - Completed 200 MW Pike County energy storage project, the largest operational battery storage project in MISO
 - Continue to make progress on 295 MW Petersburg Energy Center solar-plus-storage project expected to be operational by year-end
 - Received final regulatory approval for 170 MW Crossvine solar-plus-storage project expected online in 2027

On Track to Invest ~\$1.4 Billion Across AES Indiana & AES Ohio in 2025

Q1 2025 Financial Review

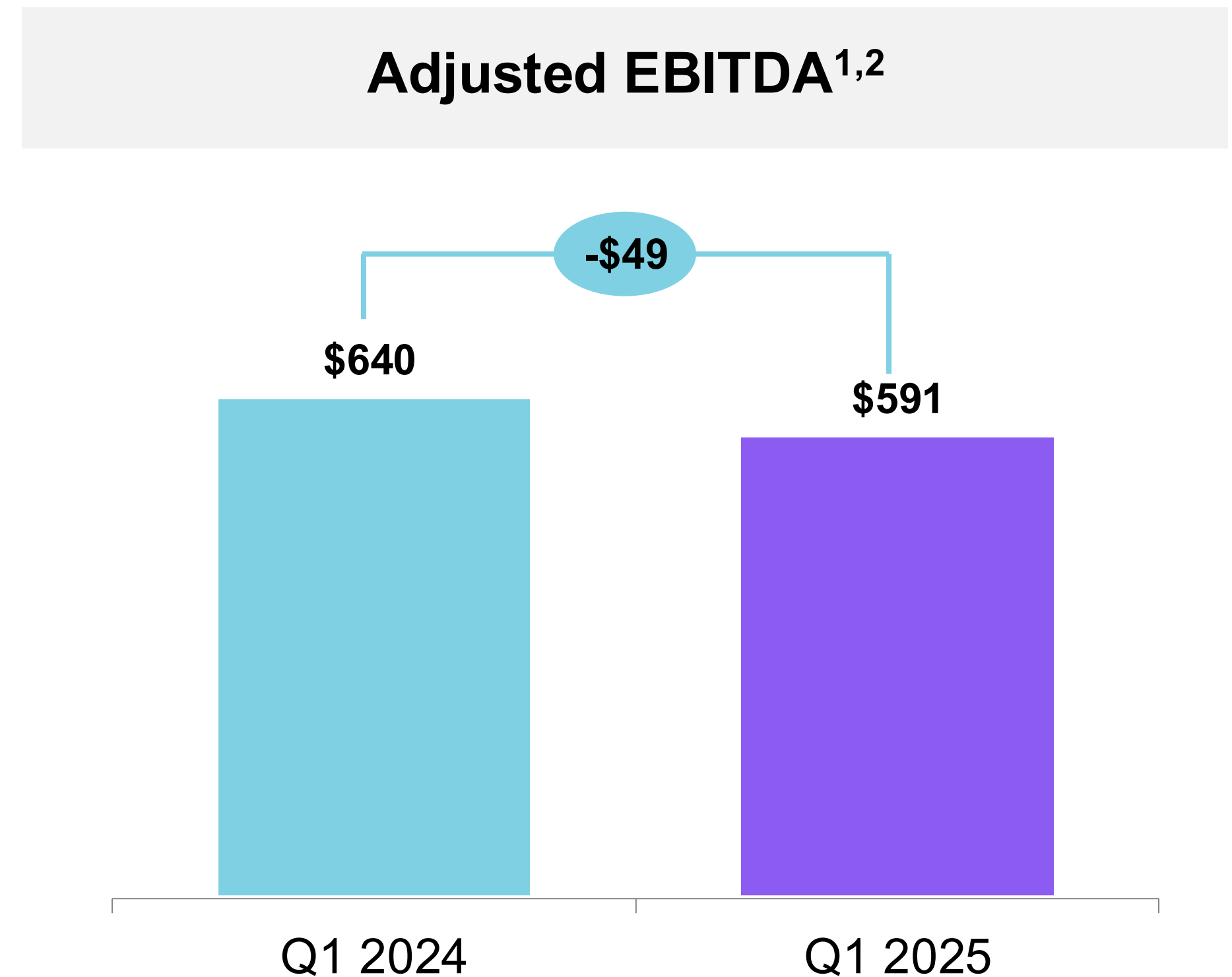
- Q1 2025 financial results
- 2025 guidance
- 2025 Parent capital allocation plan



Q1 2025 Financial Results

\$ in Millions

- Lower Adjusted EBITDA^{1,2} driven primarily by:
 - Prior year Warrior Run coal plant PPA monetization (\$84 million); and
 - Sale of AES Brasil (\$32 million)
- Partially offset by growth in our renewables and utilities businesses

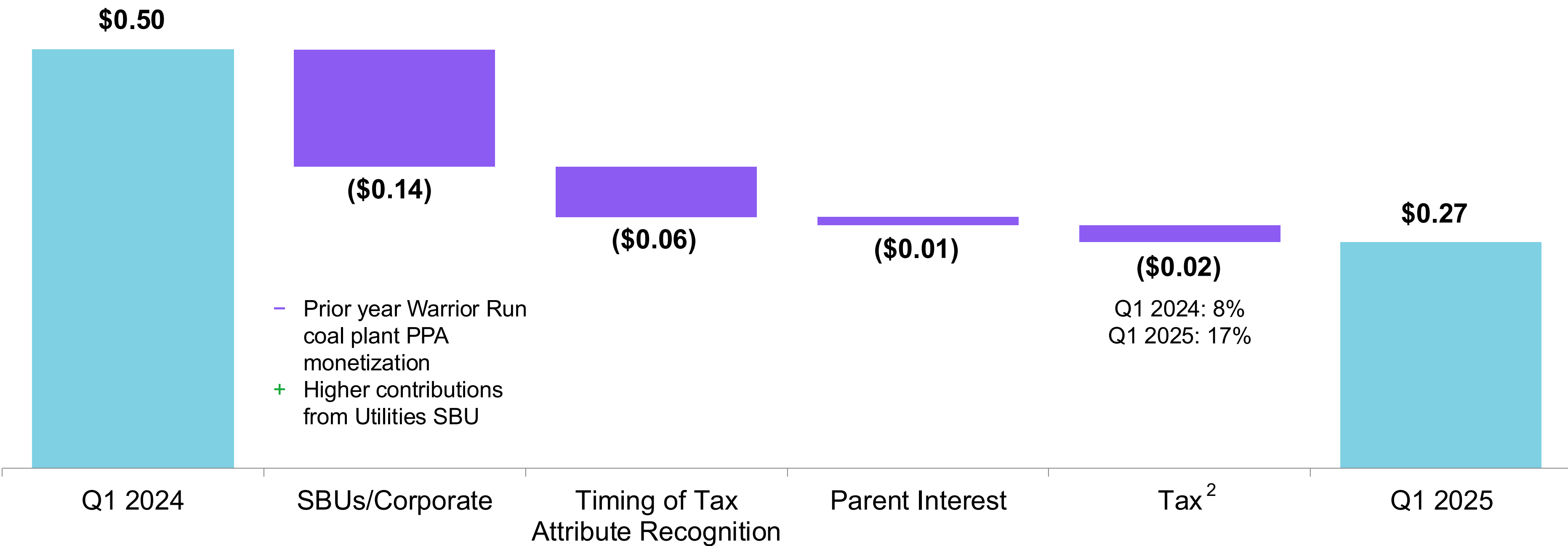


1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

2. Adjusted EBITDA does not include Tax Attributes, which totaled \$186 million in Q1 2025 versus \$228 million in Q1 2024. Tax Attributes are the pre-tax effect of Production Tax Credits, Investment Tax Credits, and depreciation tax deductions allocated to tax equity investors, as well as the tax benefit recorded from tax credits retained or transferred to third parties.

Q1 2025 Financial Results: Adjusted EPS¹ Decreased \$0.23

\$ Per Share

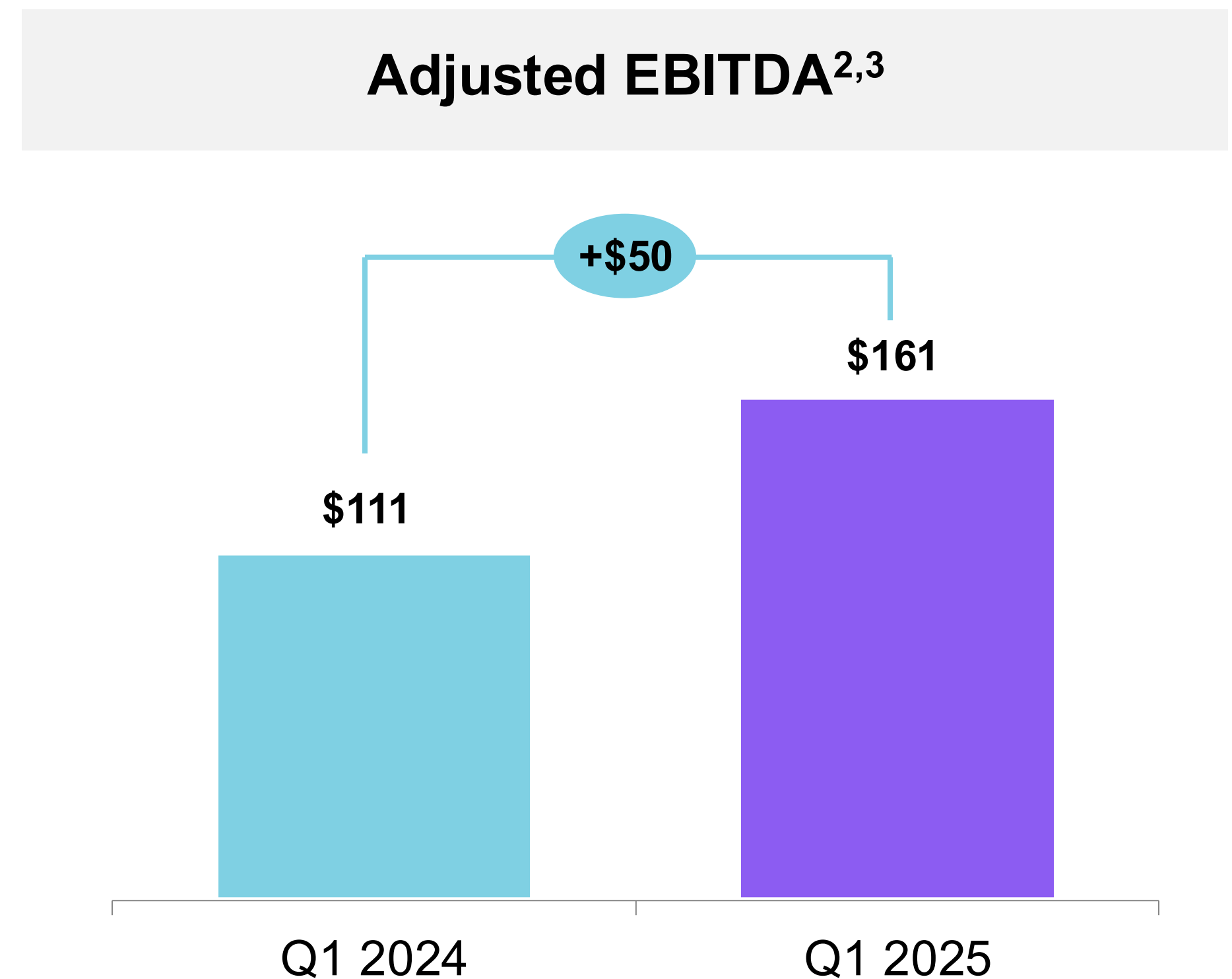


1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.
2. Excludes benefit from US renewable tax credit transfers, which is included in the Timing of Tax Attribute Recognition bar.

Q1 2025 Financial Results: Renewables¹

\$ in Millions

- Higher Adjusted EBITDA^{2,3} driven primarily by:
 - Contributions from new projects; and
 - Chile renewables segment change
- Partially offset by the sale of AES Brasil



1. Chile renewables moved from Energy Infrastructure SBU to Renewables SBU in Q1 2025.

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

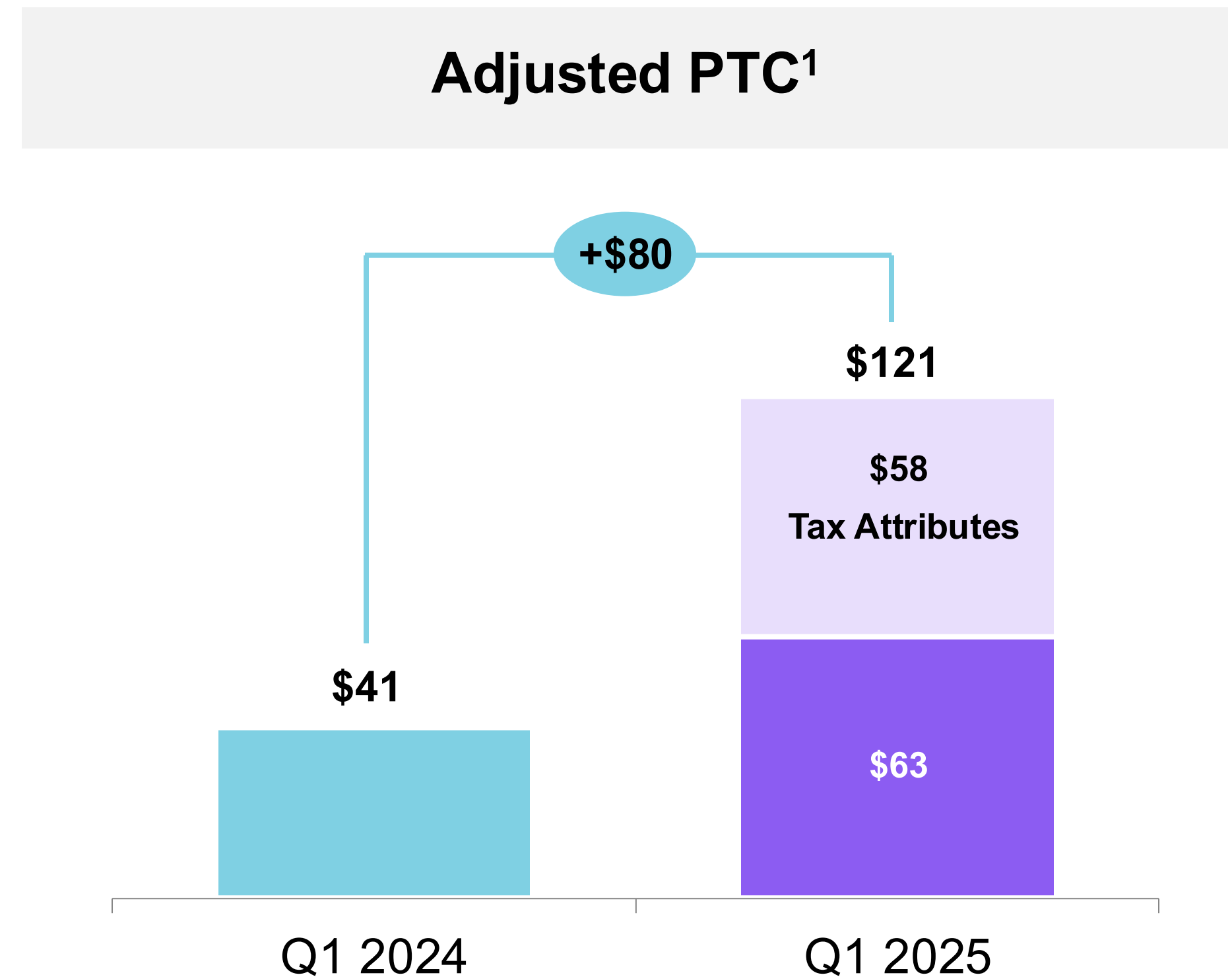
3. Adjusted EBITDA does not include Tax Attributes, which totaled \$128 million in Q1 2025 versus \$226 million in Q1 2024. Tax Attributes are the pre-tax effect of Production Tax Credits, Investment Tax Credits, and depreciation tax deductions allocated to tax equity investors, as well as the tax benefit recorded from tax credits retained or transferred to third parties.

Q1 2025 Financial Results: Utilities

\$ in Millions

→ Higher Adjusted PTC¹ driven primarily by:

- Tax attributes associated with the completion of the Pike County energy storage project;
- New rates at AES Indiana;
- Demand growth; and
- Favorable weather in the US



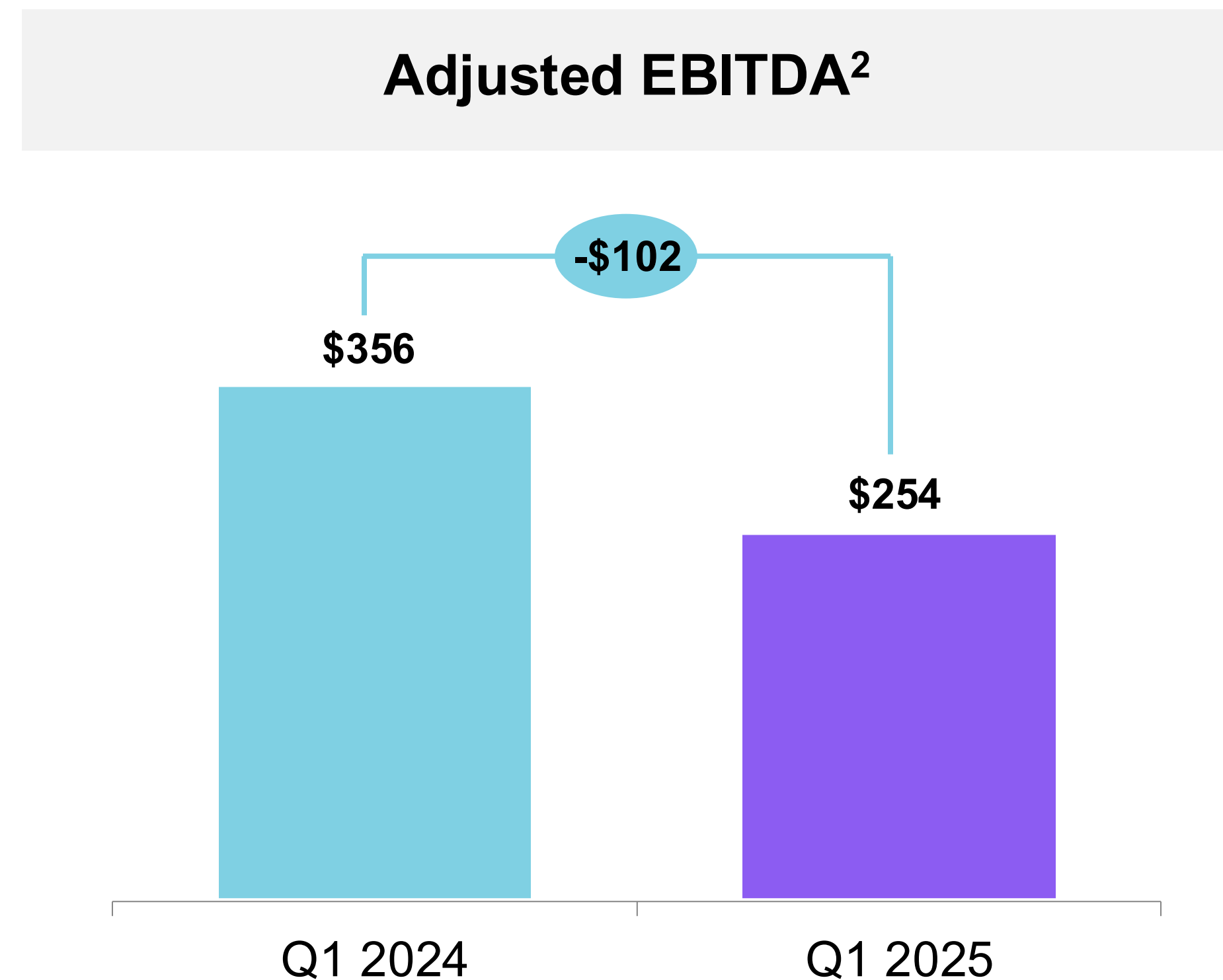
1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

Q1 2025 Financial Results: Energy Infrastructure¹

\$ in Millions

→ Lower Adjusted EBITDA² driven primarily by:

- Lower revenues due to prior year Warrior Run coal plant PPA monetization; and
- Chile renewables segment change



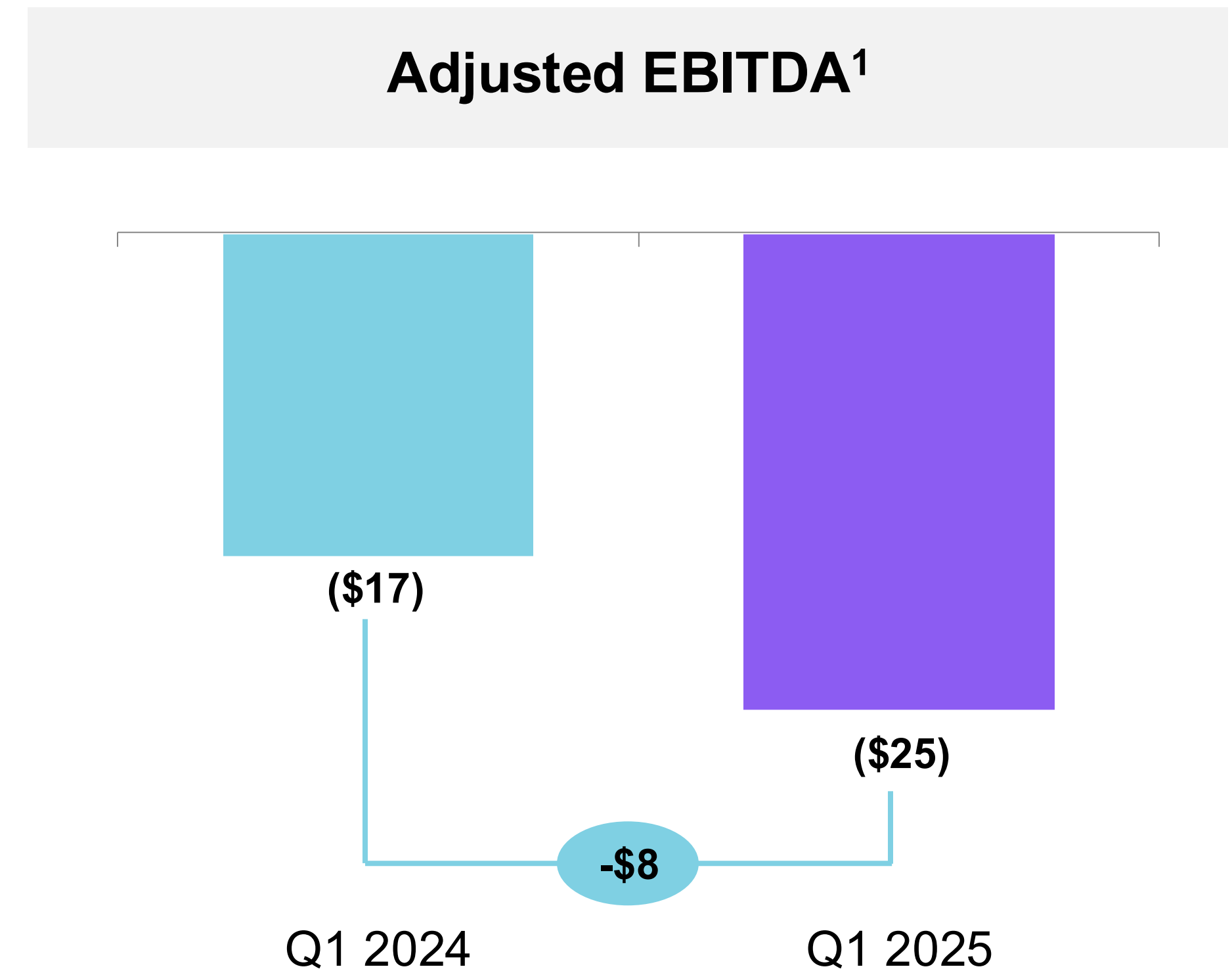
1. Chile renewables moved from Energy Infrastructure SBU to Renewables SBU in Q1 2025.

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

Q1 2025 Financial Results: New Energy Technologies

\$ in Millions

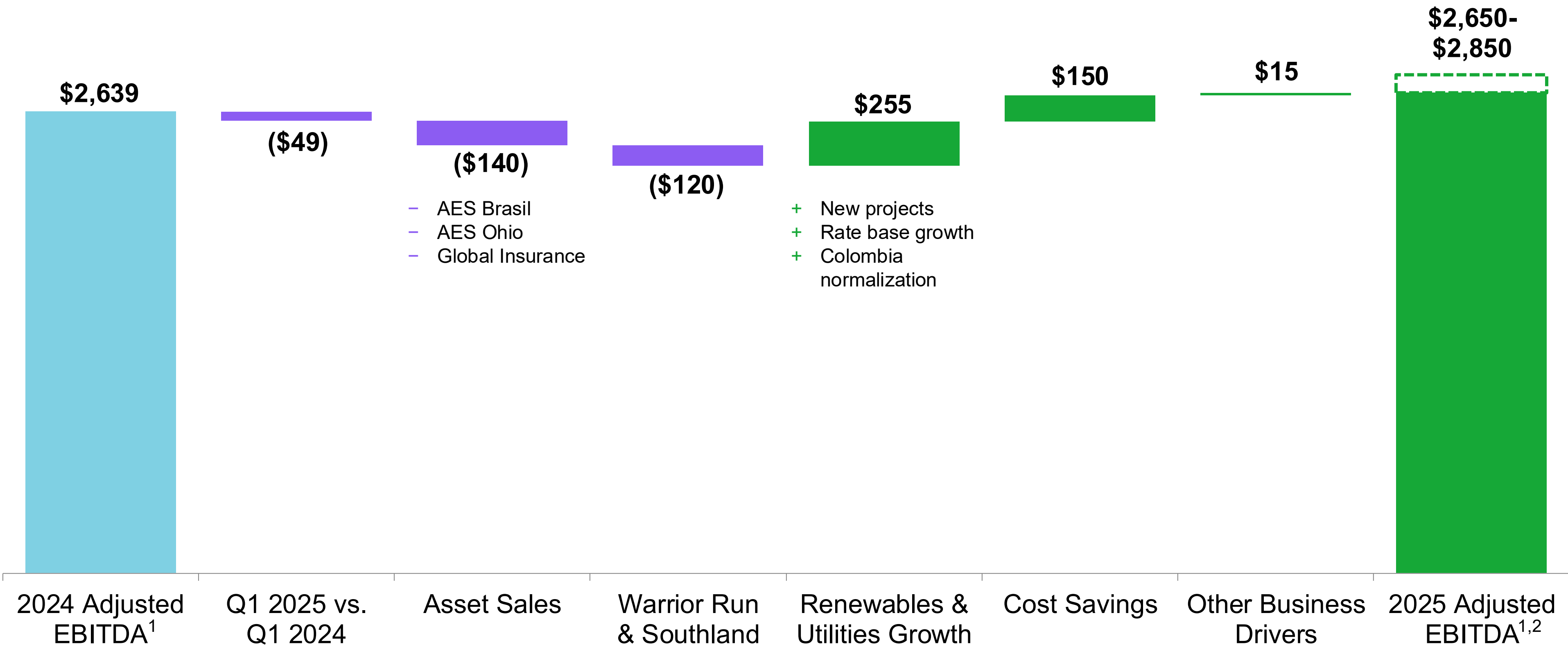
→ Lower Adjusted EBITDA¹ driven primarily by lower contributions from Fluence



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

2025 Adjusted EBITDA¹ Guidance

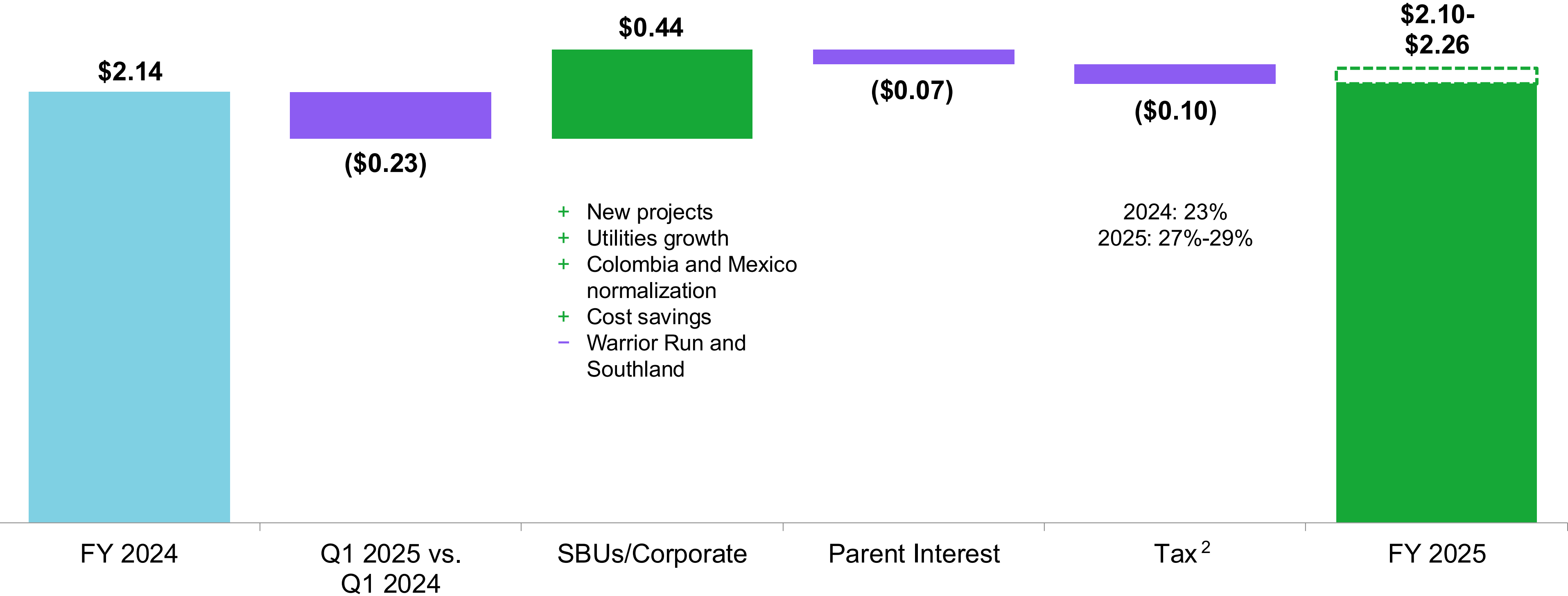
\$ in Millions



1. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted EBITDA guidance without unreasonable effort. See Appendix for definition and for a description of the adjustments to reconcile Adjusted EBITDA to net income for 2024.

2. Does not include \$1,300-\$1,500 million of Tax Attributes. Tax Attributes are the pre-tax effect of Production Tax Credits, Investment Tax Credits, and depreciation tax deductions allocated to tax equity investors, as well as the tax benefit recorded from tax credits retained or transferred to third parties.

2025 Adjusted EPS¹ Guidance

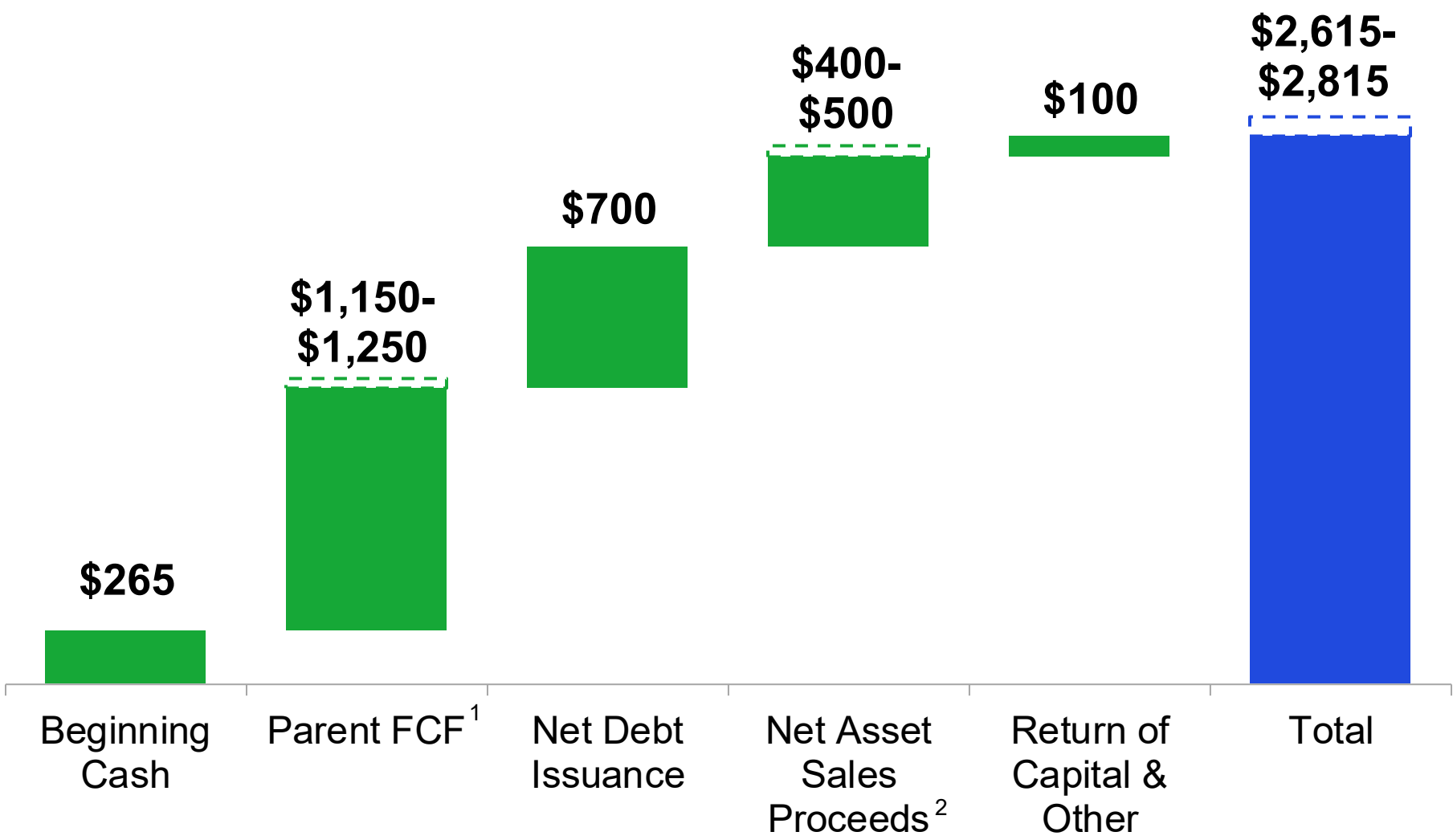


1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.
2. Excludes benefit from US renewable tax credit transfers, which is included in the SBU/Corporate bar.

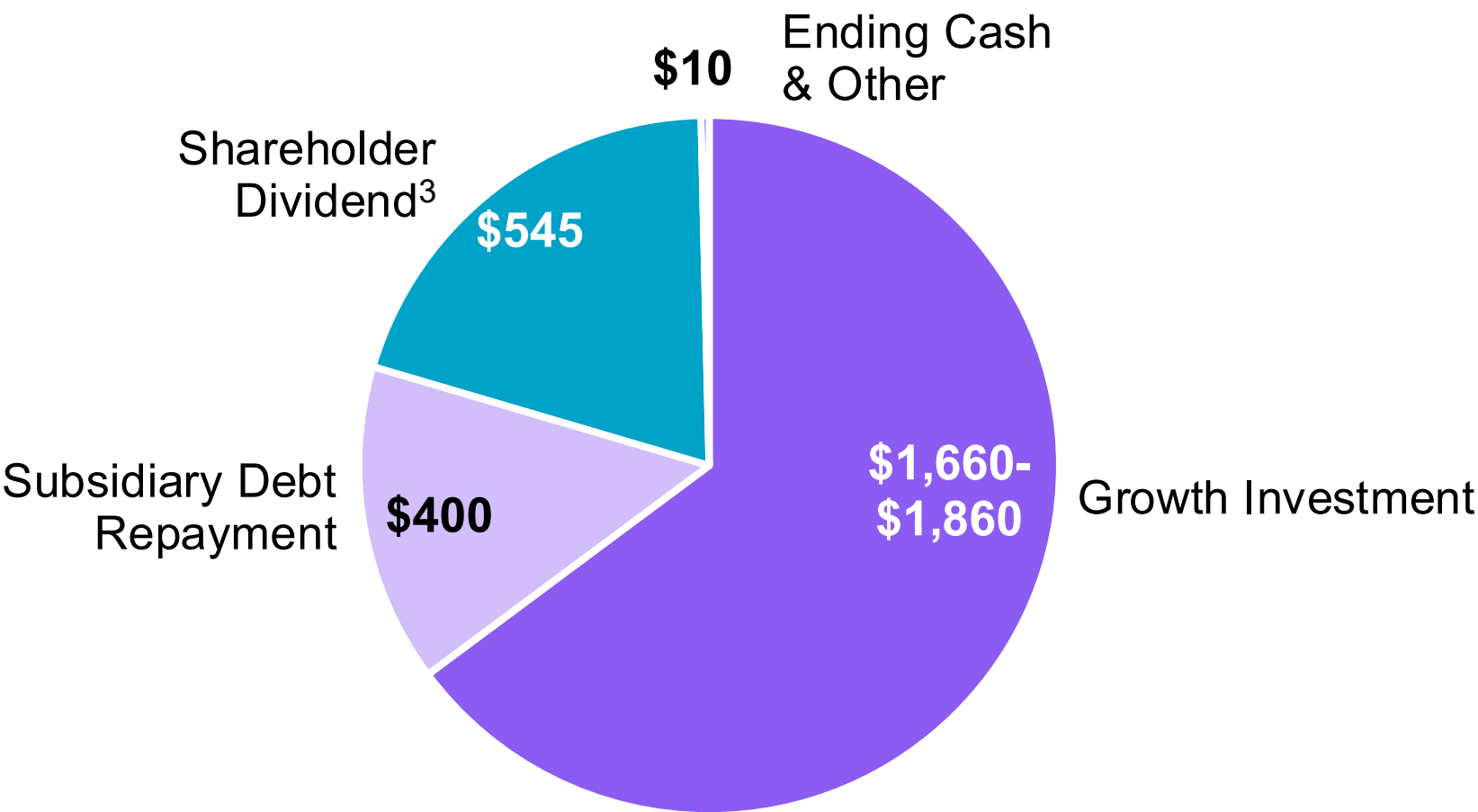
2025 Parent Capital Allocation Plan

\$ in Millions

Discretionary Cash – Sources (\$2,615-\$2,815)



Discretionary Cash – Uses (\$2,615-\$2,815)



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 Appendix for definition and a description of the adjustments to reconcile Parent Free Cash Flow to Net Cash Provided by Operating Activities at the Parent Company for 2024.

2. Sell-down of global insurance business and unannounced asset sales.

3. Includes 2025 payment of \$0.17595 per share each quarter on 711 million shares outstanding as of December 31, 2024 and coupon on \$1,450 million of hybrid debt issued in 2024.

Credit Metrics Progressing in Line with Our Expectations

- Received asset sale proceeds of \$450 million for sell-down of global insurance business
- Completed sell-down of AES Ohio, which enabled S&P's recent one and two notch credit rating upgrades for DPL Inc. and AES Ohio, respectively
- Refinanced 2025 Parent debt maturity
- Fully hedged the benchmark on all expected Parent financings through 2027
- Implemented cost efficiencies and re-sized our development business to generate annual savings of \$300 million in 2026 and reduce Parent investment by \$1.3 billion through 2027

These Actions Provide a Fully Self-Funded Plan Through 2027

Conclusion

- Long-term contracted business model continues to demonstrate its resilience to tariffs, economic policies and business cycles
- Our core corporate customers have significant energy needs and we are seeing resilient demand from hyperscalers in any scenario
- Tariff exposure on our 11.7 GW backlog is de minimis
- Construction program of 3.2 GW for 2025 is on track and well advanced
- US utilities among the fastest growing in the country and we continue to make progress on attracting new data centers to our service territory
- Already completed asset sales and financings for this year, solidifying our commitment to self-funding through our long-term guidance period

Reaffirming 2025 Guidance & Long-Term Growth Rate Targets

Appendix

Parent Only Cash Flow & Liquidity	Slides 23-25
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1. A non-GAAP financial measure. See “definitions”.

Parent Sources and Uses of Liquidity

\$ in Millions	Q1	
	2024	2025
Sources		
Total Subsidiary Distributions ¹	\$386	\$230
Proceeds from Asset Sales, Net	\$15	-
Financing Proceeds, Net	-	\$796
Increased/(Decreased) Credit Facility Commitments	-	-
Total Returns of Capital Distributions & Project Financing Proceeds	\$1	\$3
Beginning Parent Company Liquidity ²	\$1,409	\$2,047
Total Sources	\$1,811	\$3,076
Uses		
Shareholder Dividend	(\$133)	(\$149)
Investments in Subsidiaries, Net	(\$856)	(\$318)
Repayments of Debt	-	(\$776)
Cash for Development, Selling, General & Administrative and Taxes	(\$120)	(\$100)
Cash Payments for Interest	(\$61)	(\$81)
Changes in Letters of Credit and Other, Net	\$91	\$25
Ending Parent Company Liquidity ²	(\$732)	(\$1,677)
Total Uses	(\$1,811)	(\$3,076)

1. See “definitions”.

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

Q1 2025 Subsidiary Distributions¹

\$ in Millions

Subsidiary Distributions ¹ by SBU	
	Q1 2025
Renewables	\$78
Utilities	\$67
Energy Infrastructure	\$84
New Energy Technologies	\$1
Corporate ²	-
Total	\$230

Top Subsidiary Distributions ¹ by Business			
Q1 2025			
Business	Amount	Business	Amount
AES Indiana (Utilities)	\$67	AES Clean Energy (Renewables)	\$20
Southland (Energy Infrastructure)	\$44	AES Andres (Energy Infrastructure)	\$13
AES Andes (Renewables)	\$30	Kavarna (Renewables)	\$5
US Holdco (Energy Infrastructure)	\$26	Mong Duong (Energy Infrastructure)	\$2
Puerto Rico Solar (Renewables)	\$23	AES Next (New Energy Technologies)	\$1

1. See “definitions”.

2. Corporate includes Global Insurance.

Reconciliation of Subsidiary Distributions¹ and Parent Company Liquidity¹

\$ in Millions

	Quarter Ended			
	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Total Subsidiary Distributions ¹ to Parent & QHCs ²	\$230	\$715	\$204	\$298
Total Return of Capital Distributions to Parent & QHCs ²	\$3	\$28	-	\$1
Total Subsidiary Distributions ¹ & Returns of Capital to Parent	\$233	\$743	\$204	\$299

	Balance as of			
	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Cash at Parent & QHCs ²	\$151	\$265	\$6	\$53
Availability Under Credit Facilities	\$1,526	\$1,782	\$335	\$736
Ending Liquidity	\$1,677	\$2,047	\$341	\$789

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

2. Qualified Holding Company. See “assumptions”.

Recourse Debt Summary

\$ in Millions, Except Percentages; as of March 31, 2025

	SBU	Principal Balance	Interest Rate	Maturity	Ratings Moody's/S&P/Fitch
Parent Revolver	Corporate	\$0	Term SOFR + 1.80%	8/23/27	Baa3/BBB-/BBB-
Parent Revolver	Corporate	\$0	Term SOFR + 1.80%	12/6/26	Baa3/BBB-/BBB-
Commercial Paper	Corporate	\$256	Variable	N/A	P3/A3/F3
3.300% Senior Unsecured Notes due 2025	Corporate	\$124	3.300%	7/15/25	Baa3/BBB-/BBB-
1.375% Senior Unsecured Notes due 2026	Corporate	\$800	1.375%	1/15/26	Baa3/BBB-/BBB-
5.450% Senior Unsecured Notes due 2028	Corporate	\$900	5.450%	6/1/28	Baa3/BBB-/BBB-
3.950% Senior Unsecured Notes due 2030	Corporate	\$700	3.950%	7/15/30	Baa3/BBB-/BBB-
2.450% Senior Unsecured Notes due 2031	Corporate	\$1,000	2.450%	1/15/31	Baa3/BBB-/BBB-
5.800% Senior Unsecured Notes due 2032	Corporate	\$800	5.800%	3/15/2032	Baa3/BBB-/BBB-
7.600% Junior Unsecured Hybrid Notes due 2055 ¹	Corporate	\$950	7.600%	1/15/55	Ba1/BB/BB
6.950% Junior Unsecured Hybrid Notes due 2055 ¹	Corporate	\$500	6.950%	7/15/55	Ba1/BB/BB
Total Recourse Debt ² (as of March 31, 2025)		\$6,030			
Total Recourse Debt (Adjusted for Rating Agency Equity Treatment)		\$5,305			

Note: Ratings as of March 31, 2025. To request an Excel version of this table, please contact Max Trask at max.trask@aes.com.

1. Junior Unsecured notes receive a 50% debt treatment by S&P, Fitch and Moody's.

2. These balances do not reflect unamortized discounts and other accounting adjustments that are used to calculate the book value of the debt. Certain amounts may vary slightly from other presentations due to rounding.

Q1 2025 Non-Recourse Debt¹ Schedule

\$ in Millions, Except Percentages; as of March 31, 2025

SBU/Business	Country/State	Ownership Percentage	March 31, 2025 Total Balance	Debt Maturity and Amortization Schedule						March 31, 2025 Total Balance (Ownership-Adjusted)
				2025	2026	2027	2028	2029	2030 and Thereafter	
Renewables										
AES Chile	Chile	99%	2,175	127	214	205	6	693	930	2,162
AES Clean Energy	US-Various	81%	9,089	481	386	5,207	915	471	1,629	7,362
Changuinola	Panama	90%	38	8	30	-	-	-	-	34
Chivor	Colombia	99%	109	53	24	24	3	3	1	108
DR Renewables	Dom. Republic	65%	-	-	-	-	-	-	-	-
Jordan Solar	Jordan	36%	10	0	1	1	1	1	6	3
Kavarna	Bulgaria	89%	74	3	9	8	9	9	37	66
Puerto Rico Solar	US-Puerto Rico	100%	695	2	4	8	11	13	656	695
Total Renewables			12,188	674	667	5,453	945	1,189	3,529	10,429
Utilities										
AES Indiana (IPALCO)	US-Indiana	70%	4,179	440	90	-	-	55	3,594	2,925
AES Ohio (Dayton Power & Light)	US-Ohio	100%	2,222	565	-	140	93	400	1,024	2,222
El Salvador	El Salvador	79%	421	69	32	158	1	2	159	334
Total Utilities			6,822	1,074	122	298	94	457	4,776	5,481

Note: To request an Excel version of this table, please contact Max Trask at max.trask@aes.com.

1. These balances do not reflect unamortized discounts and other accounting adjustments that are used to calculate the book value of the debt. Certain amounts may vary slightly from other presentations due to rounding.

Q1 2025 Non-Recourse Debt¹ Schedule

\$ in Millions, Except Percentages; as of March 31, 2025

SBU/Business	Country/State	Ownership Percentage	March 31, 2025 Total Balance	Debt Maturity and Amortization Schedule						March 31, 2025 Total Balance (Ownership-Adjusted)
				2025	2026	2027	2028	2029	2030 And Thereafter	
Energy Infrastructure										
AES Argentina	Argentina	100%	169	47	61	61	-	-	-	169
AES Panama ²	Panama	63%	1,331	21	22	26	26	26	1,211	839
Andres	Dom. Republic	74%	611	107	26	7	472	-	-	457
Angamos	Chile	99%	27	6	6	6	6	3	-	27
Colon	Panama	65%	49	32	17	-	-	-	-	32
Cochrane	Chile	59%	650	66	67	44	67	72	334	386
Los Mina	Dom. Republic	65%	260	-	-	260	-	-	-	169
Maritza East I	Bulgaria	100%	98	98	-	-	-	-	-	90
Mong Duong	Vietnam	100%	-	-	-	-	-	-	-	-
Puerto Rico	US-Puerto Rico	100%	115	-	3	13	99	-	-	115
Southland Energy	US-California	55%	1,825	55	93	98	100	80	1,400	998
TEG TEP	Mexico	100%	129	27	57	45	-	-	-	129
US Generation	US-Various	100%	-	-	-	-	-	-	-	-
Total Energy Infrastructure			5,266	458	353	560	771	181	2,944	3,420
Total Non-Recourse Debt ¹ Across All SBUs			24,276	2,206	1,142	6,311	1,810	1,827	10,979	19,331

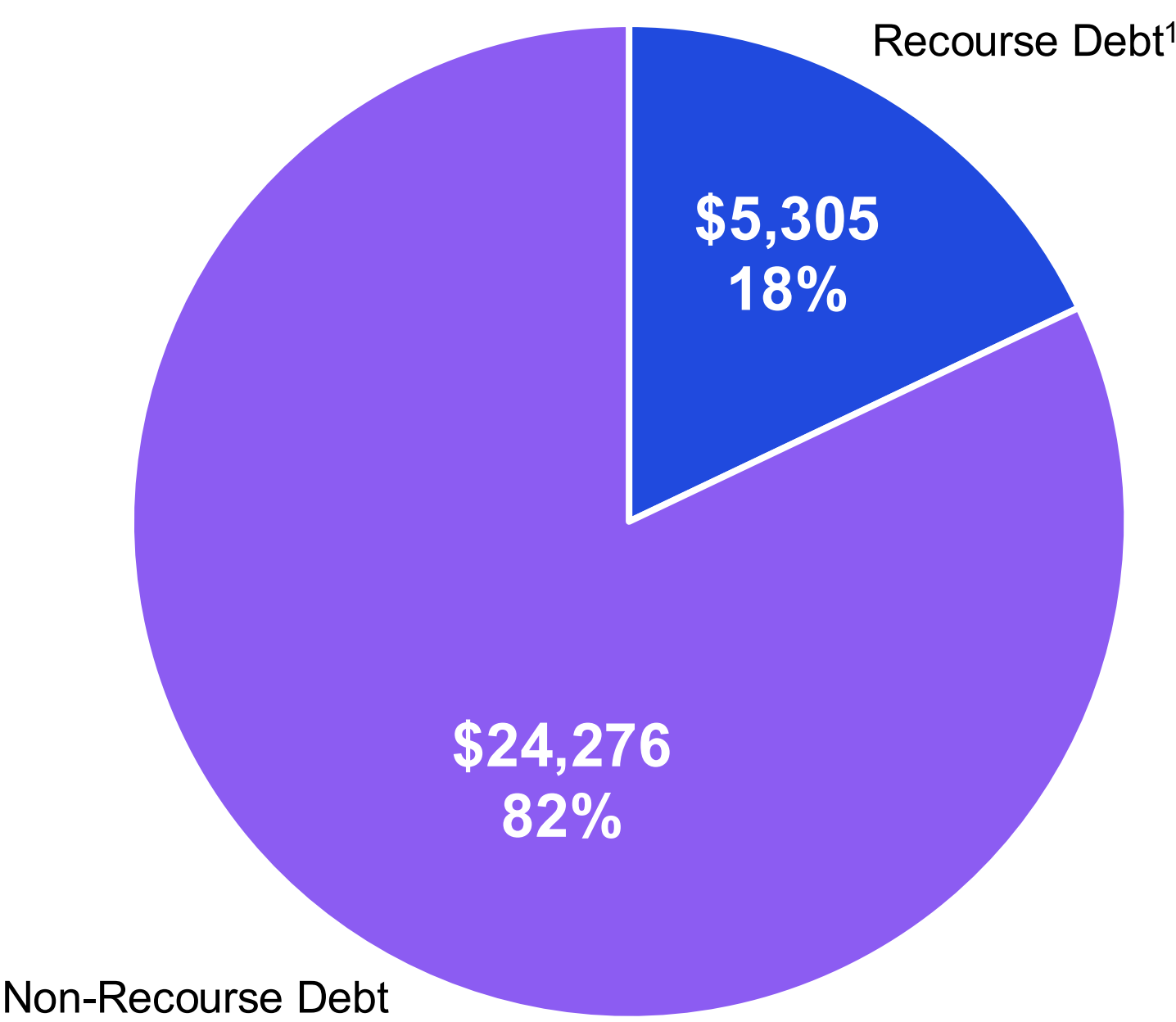
Note: To request an Excel version of this table, please contact Max Trask at max.trask@aes.com.

1. These balances do not reflect unamortized discounts and other accounting adjustments that are used to calculate the book value of the debt. Certain amounts may vary slightly from other presentations due to rounding.

2. AES Panama ownership adjustment excludes the portion of debt associated with minority interests that is reflected in intercompany agreements.

Substantial Majority of Interest Rate Exposure is Hedged Through Swaps or Contractual Arrangements

\$ in Millions, as of March 31, 2025



	Recourse Debt ²	Non-Recourse Debt ²
Long-Term Weighted Average All-in Cost	4.7%	5.5%
Long-Term Weighted Average Maturity	10.8 years	10.8 years
Long-Term Debt ² Percentage Fixed or Hedged	100%	92%
Percentage in Functional Currency	100%	~100%

1. Includes \$725 million of rating agency equity credit for Junior Subordinated Hybrid Notes.
2. Long-term debt does not include \$6.5 billion of construction debt, temporary drawings under revolvers and commercial paper issuance.

Q1 Adjusted EPS¹ Roll-Up

\$ in Millions, Except Per Share Amounts

	Q1 2025	Q1 2024	Variance
Adjusted PTC ¹			
Renewables	(\$2)	\$141	(\$143)
Utilities	\$121	\$41	\$80
Energy Infrastructure	\$152	\$221	(\$69)
New Energy Technologies ²	(\$26)	(\$18)	(\$8)
Corporate	(\$84)	(\$49)	(\$35)
Total AES Adjusted PTC ^{1,3}	\$161	\$336	(\$175)
Adjusted Effective Tax Rate	(19%)	(7%)	
Diluted Share Count	713	712	
Adjusted EPS ¹	\$0.27	\$0.50	

1. A non-GAAP financial measure. See Slide 42 for reconciliation to the nearest GAAP measure and “definitions”.

2. Includes \$24 million and \$15 million of losses from AES Next for the three months ended March 31, 2025 and 2024, respectively.

3. Includes \$30 million and \$11 million of adjusted after-tax equity in losses for the three months ended March 31, 2025 and 2024, respectively.

Q1 Adjusted PTC¹: Reconciliation to Public Financials of Public Filers

AES SBU/Reporting Country		Utilities/US			
AES Company		IPL		DPL	
\$ in Millions		Q1 2025	Q1 2024	Q1 2025	Q1 2024
US GAAP Reconciliation					
AES Business Unit Adjusted Earnings ^{1,2}		\$73	\$12	\$4	\$3
Adjusted PTC ^{1,3} Public Filer (Stand-alone)		\$98	\$14	\$4	\$4
Impact of AES Differences from Public Filings		-	-	-	-
AES Business Unit Adjusted PTC ¹		\$98	\$14	\$4	\$4
Unrealized Derivatives and Equity Security Gains (Losses)		-	-	-	\$1
Disposition/Acquisition Gains (Losses)		-	-	-	-
Restructuring Costs		(\$2)	-	(\$2)	-
Non-Controlling Interest before Tax		(\$42)	\$3	-	-
Income Tax Benefit (Expense)		(\$36)	(\$4)	(\$1)	(\$2)
US GAAP Income from Continuing Operations ³		\$18	\$13	\$1	\$3

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.

1. A non-GAAP financial measure. Reconciliation provided above. See "definitions" for descriptions of adjustments.

2. Total Adjusted PTC, US GAAP Income (Loss) 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.

3. Represents the income/(loss) from continuing operations of the subsidiary included in the consolidated operating results of AES under US GAAP.

Q1 2025 Modeling Disclosures

\$ in Millions

	Adjusted PTC ¹	Interest Expense			Interest Income			Depreciation, Amortization & Accretion of AROs		
		Consolidated	Attributable to NCI	Ownership-Adjusted	Consolidated	Attributable to NCI	Ownership-Adjusted	Consolidated	Attributable to NCI	Ownership-Adjusted
Renewables	(\$2)	\$131	(\$12)	\$119	\$21	(\$4)	\$17	\$129	(\$27)	\$102
Utilities ²	\$121	\$77	(\$15)	\$62	\$2	-	\$2	\$124	(\$27)	\$97
DPL	\$4	\$24	-	\$24	\$1	-	\$1	\$29	-	\$29
IPL	\$98	\$45	(\$14)	\$31	\$1	-	\$1	\$86	(\$26)	\$60
Energy Infrastructure	\$152	\$74	(\$25)	\$49	\$41	(\$16)	\$25	\$81	(\$23)	\$58
New Energy Technologies	(\$26)	-	-	-	\$2	-	\$2	-	-	-
Corporate	(\$84)	\$60	-	\$60	\$3	-	\$3	\$3	-	\$3
Total	\$161	\$342	(\$52)	\$290	\$69	(\$20)	\$49	\$337	(\$77)	\$260

1. A non-GAAP financial measure. See Slide 42 for reconciliation to the nearest GAAP measure and “definitions”.

2. Also includes El Salvador.

Q1 2025 Modeling Disclosures

\$ in Millions

	Total Debt as of March 31, 2025			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
Renewables*	\$12,513	(\$1,873)	\$10,640	\$1,258	(\$143)	\$1,115
Utilities	\$6,847	(\$1,354)	\$5,493	\$201	(\$30)	\$171
DPL	\$2,211	-	\$2,211	\$81	-	\$81
IPL	\$4,225	(\$1,268)	\$2,957	\$83	(\$25)	\$58
Energy Infrastructure	\$5,238	(\$1,822)	\$3,416	\$766	(\$155)	\$611
New Energy Technologies	-	-	-	\$10	-	\$10
Corporate ¹	\$5,253	-	\$5,253	\$395	-	\$395
Total	\$29,851	(\$5,049)	\$24,802	\$2,630	(\$328)	\$2,302
*Construction Debt Facilities (in Renewables SBU)	\$5,530	(\$882)	\$4,648			
Portion of Construction Debt Repaid by Tax Attribute Monetization	~\$2,900	~(\$500)	~\$2,400			

1. Debt excludes \$725 million of rating agency equity credit for Junior Subordinated Hybrid Notes.

FY 2027 Net Debt¹ Expectation

\$ in Millions

	2027 Forecasted Net Debt ¹		
	Consolidated	Attributable to NCI	Ownership-Adjusted
Renewables*	\$15,500-\$17,100	(\$3,800)-(\$4,400)	\$11,700-\$12,700
Utilities	\$6,900-\$7,500	(\$1,900)-(\$2,100)	\$5,000-\$5,400
Energy Infrastructure	\$4,200-\$4,800	(\$1,300)-(\$1,500)	\$2,900-\$3,300
New Energy Technologies	-	-	-
Corporate ²	\$5,900-\$6,100	-	\$5,900-\$6,100
Total	\$32,500-\$35,500	(\$7,000)-(\$8,000)	\$25,500-\$27,500
*Construction Debt Facilities (in Renewables SBU)	\$5,000-\$6,000	(\$1,000)-(\$1,200)	\$4,000-\$4,800
Portion of Construction Debt Repaid by Tax Attribute Monetization	\$2,600-\$3,100	(\$500)-(\$600)	\$2,100-\$2,500

1. Total Debt less Cash & Cash Equivalents, Restricted Cash, Short-Term Investments, Debt Service Reserves & Other Deposits

2. Excludes \$725 million of rating agency equity credit for Junior Subordinated Hybrid Notes.

AES Modeling Disclosures

\$ in Millions

	2025
Subsidiary Distributions (a)	\$1,650-\$1,750
Cash Interest (b)	(\$225)
Corporate/Parent-Funded SBU Overhead	(\$235)
Business Development/Taxes	(\$40)
Cash for Development, General & Administrative and Tax (c)	(\$275)
Parent Free Cash Flow ¹ (a – b – c)	\$1,150-\$1,250

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”.

2025 SBU Modeling Ranges

\$ in Millions

	2024 Adjusted EBITDA ¹	2025 Adjusted EBITDA ¹ Modeling Ranges as of 2/28/25	Drivers of Growth Versus 2024
Renewables ²	\$552	\$890-\$960	<ul style="list-style-type: none"> + New projects + Colombia normalization + Cost savings + Chile renewables segment change – Sale of AES Brasil
Utilities	\$792	\$810-\$880	<ul style="list-style-type: none"> + Rate base growth + Cost savings – Sell-down of AES Ohio
Energy Infrastructure ²	\$1,366	\$1,030-\$1,110	<ul style="list-style-type: none"> – Prior-year revenues from Warrior Run PPA monetization – Southland margins – Chile renewables segment change + Cost savings + Prior-year outage in Mexico
New Energy Technologies	(\$38)	\$0-(\$10)	<ul style="list-style-type: none"> + Reduced development spend
Total SBUs	\$2,672	\$2,730-\$2,940	
Corporate	(\$33)	(\$80)-(\$90)	<ul style="list-style-type: none"> – Sell-down of global insurance business – Others
Adjusted EBITDA ¹	\$2,639	\$2,650-\$2,850	

1. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted EBITDA guidance without unreasonable effort. See “definitions” and Slide 45 for a description of the adjustments to reconcile Adjusted EBITDA to Net Income for 2024.

2. Chile renewables moved from Energy Infrastructure SBU to Renewables SBU in Q1 2025.

Reaffirming 2023-2027 Long-Term Growth Plan

\$ in Millions

Adjusted EBITDA¹

**5%-7%
Average
Annual Growth**

\$2,750

Long-Term Drivers:

- + Completion of majority of projects in backlog
- + 11% annualized rate base growth in the US
- + Cost savings
- Asset sales

2023 Guidance

2027

Parent Free Cash Flow²

**6%-8%
Average
Annual Growth**

\$975

Long-Term Drivers:

- + Adjusted EBITDA drivers
- Parent cash interest

2023 Guidance

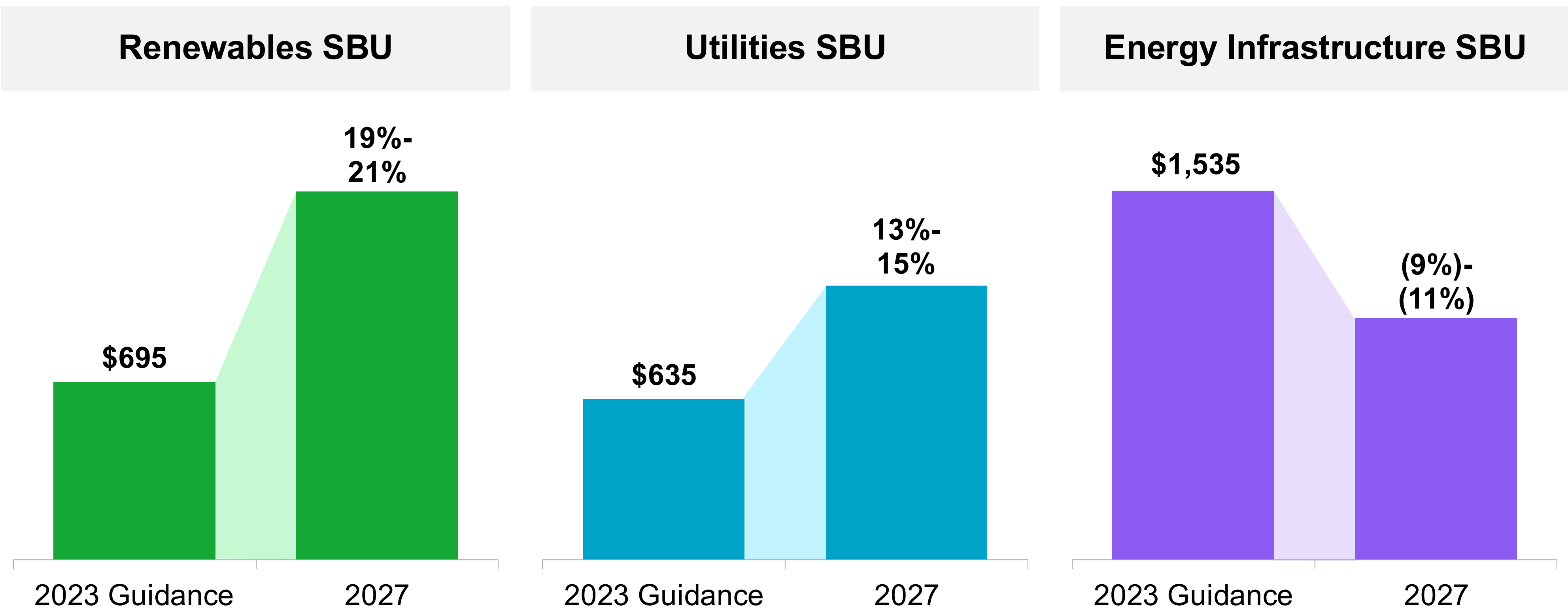
2027

1. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted EBITDA guidance without unreasonable effort. See "definitions" and Slide 45 for a description of the adjustments to reconcile Adjusted EBITDA to net income for 2024.

2. 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" and Slide 46 and a description of the adjustments to reconcile Parent Free Cash Flow to Net Cash Provided by Operating Activities at the Parent Company for 2024.

Expected SBU Adjusted EBITDA¹ Average Annual Growth Rates²

\$ in Millions



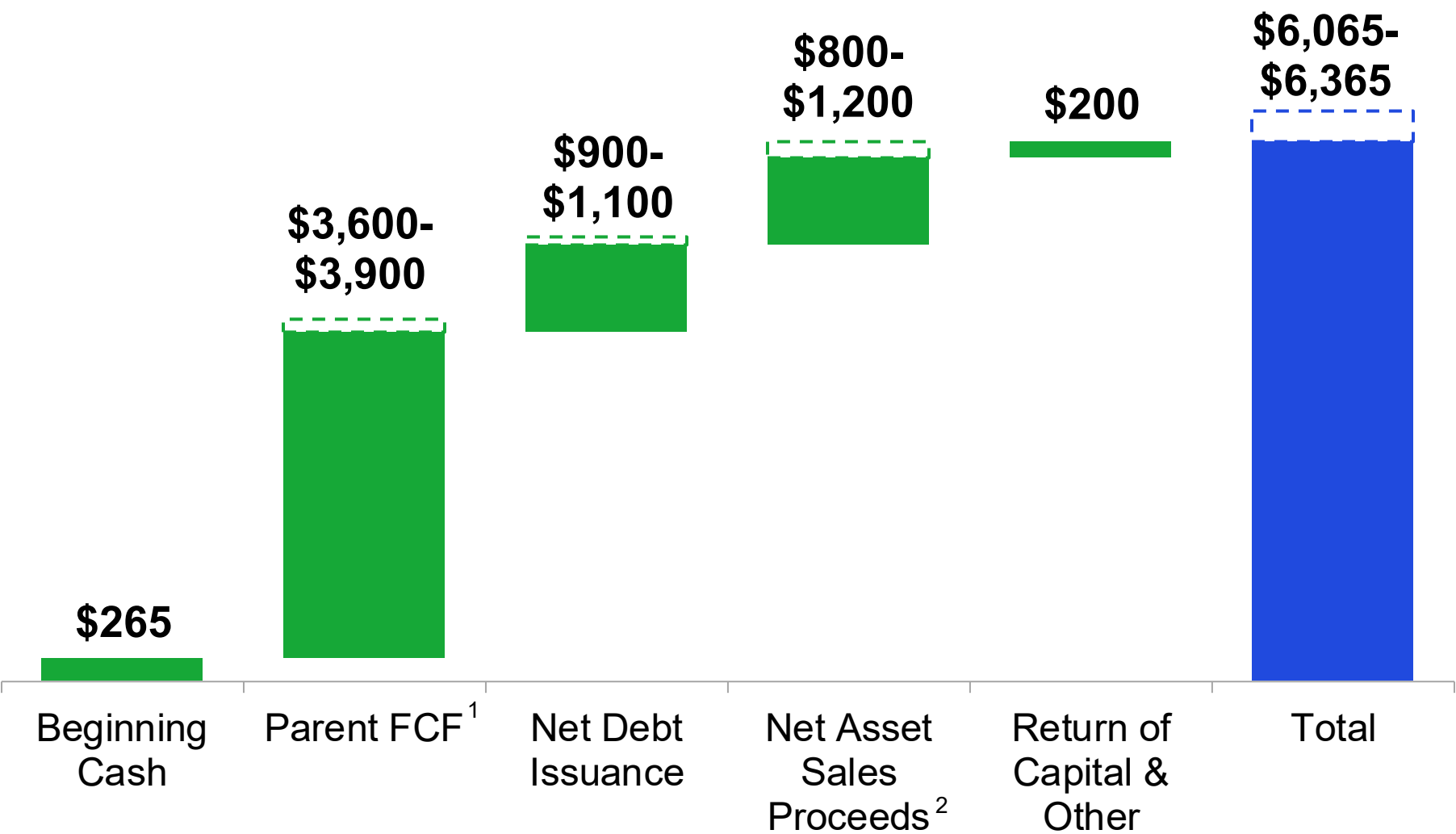
1. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted EBITDA guidance without unreasonable effort. See “definitions” and Slide 45 for a description of the adjustments to reconcile Adjusted EBITDA to net income for 2024.

2. Compared to 2023-2027 Guidance Rates for the Renewables SBU of 19%-21%, Utilities SBU of 12%-14%, and Energy Infrastructure SBU of (15%)-(17%) from May 2023 Investor Day.

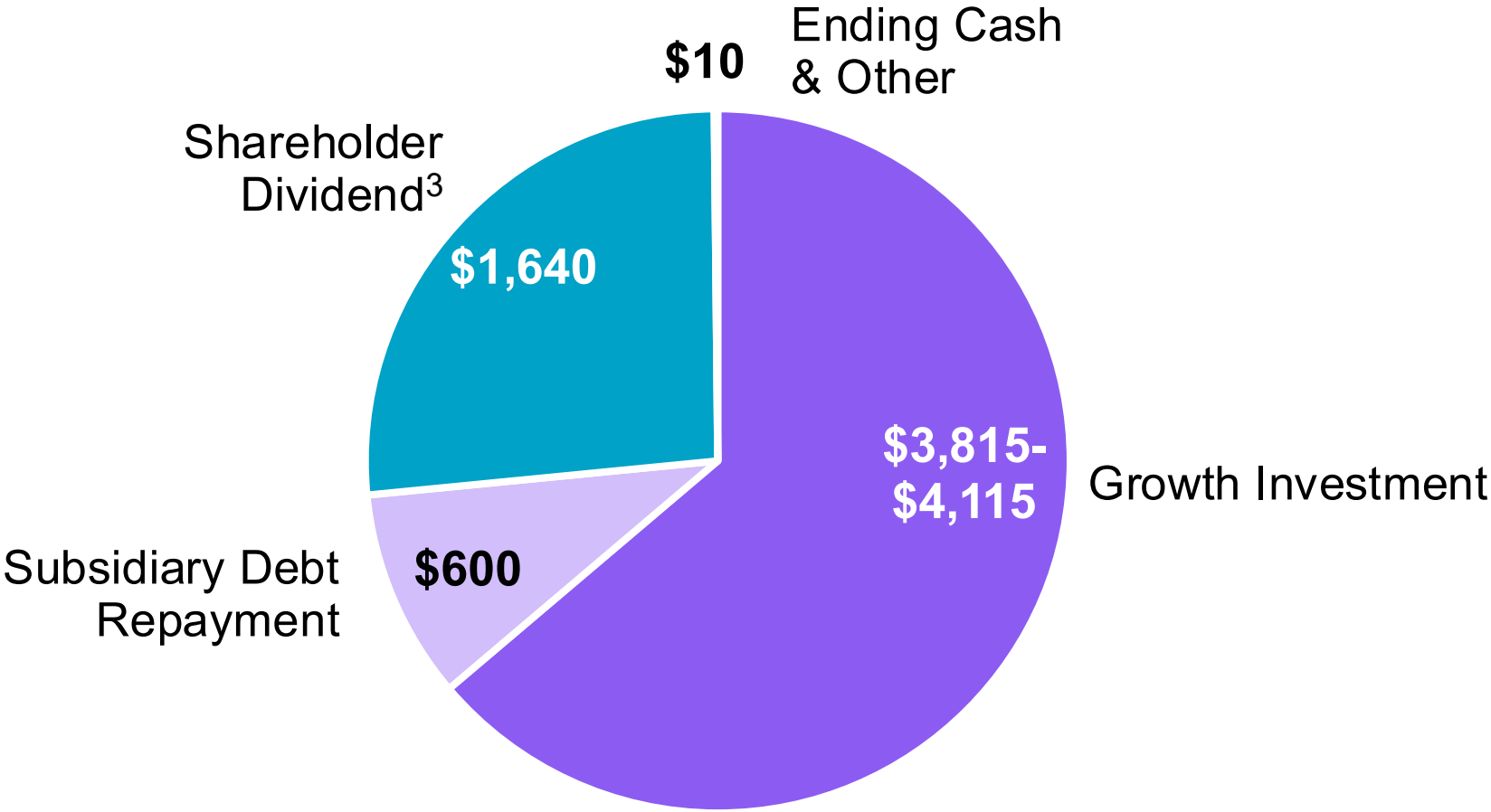
2025-2027 Parent Capital Allocation Plan

\$ in Millions

Discretionary Cash – Sources (\$6,065-\$6,365)



Discretionary Cash – Uses (\$6,065-\$6,365)



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” and Slide 46 for a description of the adjustments to reconcile Parent Free Cash Flow to Net Cash Provided by Operating Activities at the Parent Company for 2024.

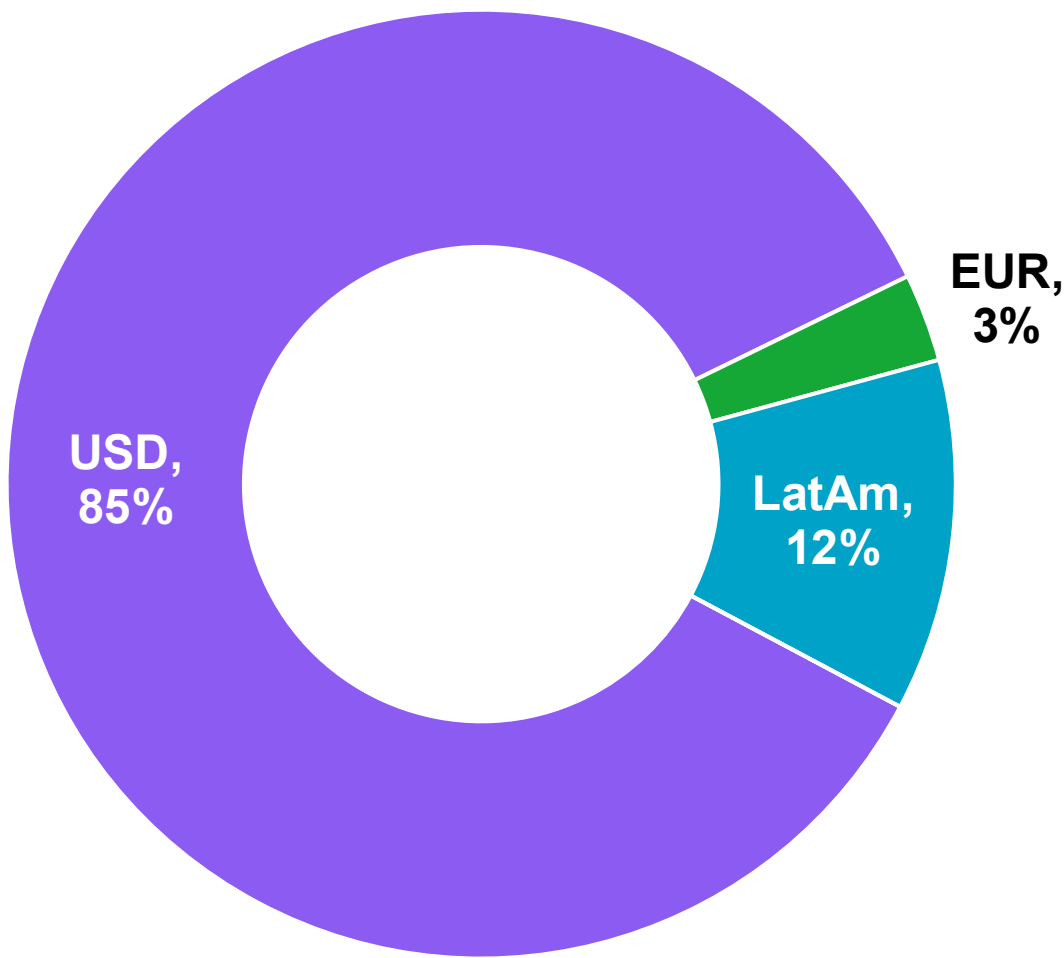
2. Unannounced asset sales.

3. Includes 2025 payment of \$0.17595 per share each quarter on 711 million shares outstanding as of December 31, 2024 and coupon on \$1,450 million of hybrid debt issued in 2024.

Limited Exposure to Fluctuations in Foreign Currency

2025-2027 Cumulative Exposure

Composition by Currency



Annualized Impact¹ of 10% USD Appreciation on Adjusted PTC^{2,3} After Hedging

Non-USD Currencies	\$ in Millions
Argentine Peso (ARS)	(\$8)
Euro (EUR)	(\$4)
Colombian Peso (COP)	(\$15)
Chilean Peso (CLP)	\$6
Others	~\$0
% of Annualized Adjusted PTC ²	-1.29%

(\$20) Million Annualized Adjusted PTC Impact From 10% Appreciation of USD

1. 10% USD appreciation relative to currency market forward curves as of December 31, 2024. Exception: Argentine Peso forward curve is based on AES internal FX rate assessment. Sensitivities are rounded to the nearest \$1 million. Excludes inflation adjustments earned through contracts in Argentina and Colombia in the first 12 months.

2. Annualized values are cumulative exposure as of December 31, 2024.

3. As of December 31, 2024. A non-GAAP financial measure. See “definitions”.

2025 Guidance Estimated Sensitivities

Currencies	10% appreciation of USD against following currencies is forecasted to have the following Adjusted EPS impacts:	YTG 2025	
		Average Rate	Sensitivity
	Argentine Peso (ARS) ¹	1121.57	Less than (\$0.01)
	Chilean Peso (CLP)	952.09	Less than \$0.005
	Colombian Peso (COP)	4260.99	Less than (\$0.015)
	Dominican Peso (DOP)	63.52	Less than \$0.015
	Euro (EUR)	1.09	Less than (\$0.01)
Commodities	Mexican Peso (MXN)	20.83	Less than \$0.01
	10% increase in commodity prices is forecasted to have the following Adjusted EPS impacts:	YTG 2025	
		Average Rate ³	Sensitivity
	NYMEX Henry Hub Natural Gas ²	\$4.48/mmbtu	Less than \$0.005
	Rotterdam Coal (API 2) ²	\$106.06/ton	Less than (\$0.005)
	US Power – SP15 ATC	\$39.90/MWh	Less than \$0.05

Note: Guidance reaffirmed on May 2, 2025. 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 guidance. Estimates show the impact on year-to-go 2025 Adjusted EPS. Actual results may differ from the sensitivities provided due to execution of risk management strategies, local market dynamics and operational factors. Reaffirmation of full year 2025 guidance is based on currency and commodity forward curves and forecasts as of March 31, 2025. 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 1 of the Form 10-K 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. Argentine Peso sensitivities are based on AES internal FX rate assessment.
2. Sensitivity assumes no change in power prices.
3. Average Rate for 2025 based on market forward curve as of March 31, 2025.



Reconciliation of Q1 Adjusted PTC and Adjusted EPS¹

\$ in Millions, Except Per Share Amounts	Q1 2025		Q1 2024	
	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	\$46	\$0.07	\$432	\$0.61
Add: Income Tax Expense (Benefit) from Continuing Operations Attributable to AES	(\$4)		(\$19)	
Pre-Tax Contribution	\$42		\$413	
Adjustments				
Unrealized Derivatives, Equity Securities, and Financial Assets and Liabilities Gains	(\$5)	(\$0.01)	(\$85)	(\$0.12) ³
Unrealized Foreign Currency Gains	(\$7)	(\$0.01)	(\$9)	(\$0.01)
Disposition/Acquisition Losses (Gains)	\$42	\$0.06 ⁴	(\$43)	(\$0.06) ⁵
Impairment Losses	\$33	\$0.05 ⁶	\$26	\$0.04 ⁷
Loss on Extinguishment of Debt and Troubled Debt Restructuring	\$10	\$0.01	\$34	\$0.04 ⁸
Restructuring Costs	\$46	\$0.06 ⁹	-	-
Less: Net Income Tax Expense (Benefit)	-	\$0.04 ¹⁰	-	-
Adjusted PTC ¹ & Adjusted EPS ¹	\$161	\$0.27	\$336	\$0.50

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

2. NCI is defined as Noncontrolling Interests.

3. Amount primarily relates to net unrealized derivative gains at the Energy Infrastructure SBU of \$68 million, or \$0.10 per share.

4. Amount primarily relates to losses on contingent consideration at AES Clean Energy of \$28 million, or \$0.04 per share, and day-one losses on commencement of sales-type leases at AES Renewable Holdings of \$9 million, or \$0.01 per share.

5. Amount primarily relates to gain on dilution of ownership in Uplight due to its acquisition of AutoGrid of \$52 million, or \$0.07 per share, partially offset by the loss on partial sale of our ownership interest in Amman East and IPP4 in Jordan of \$10 million, or \$0.01 per share.

6. Amount primarily relates to impairments at AES Clean Energy Development projects of \$25 million, or \$0.03 per share, and Mong Duong of \$9 million, or \$0.01 per share.

7. Amount primarily relates to impairment at Mong Duong of \$19 million, or \$0.03 per share.

8. Amount primarily relates to costs incurred due to troubled debt restructuring at Puerto Rico of \$19 million, or \$0.03 per share.

9. Amount primarily relates to severance costs associated with the Company-wide restructuring program.

10. Amount primarily relates to income tax expense associated with severance costs related to the Company-wide restructuring program of \$10 million, or \$0.01 per share, losses on contingent consideration at AES Clean Energy of \$8 million, or \$0.01 per share, and impairment at AES Clean Energy Development projects of \$7 million, or \$0.01 per share.

Reconciliation of Q1 Adjusted EBITDA¹

\$ in Millions	Q1 2025	Q1 2024
Net Income	(\$73)	\$278
Income Tax Expense (Benefit)	\$17	(\$16)
Interest Expense	\$342	\$357
Interest Income	(\$69)	(\$105)
Depreciation, Amortization, and Accretion of AROs	\$337	\$318
EBITDA	\$554	\$832
Less: Adjustment for Noncontrolling Interests and Redeemable Stock of Subsidiaries ¹	(\$134)	(\$164)
Less: Income Tax Expense (Benefit), Interest Expense (Income) and Depreciation, Amortization, and Accretion from AROs from Equity Affiliates	\$36	\$34
Interest Income Recognized Under Service Concession Arrangements	\$15	\$17
Unrealized Derivatives, Equity Securities, and Financial Assets and Liabilities Gains	(\$1)	(\$85)
Unrealized Foreign Currency Gains	(\$7)	(\$9)
Disposition/Acquisition Losses (Gains)	\$41	(\$43)
Impairment Losses	\$33	\$26
Loss on Extinguishment of Debt and Troubled Debt Restructuring	\$8	\$32
Restructuring Costs	\$46	-
Adjusted EBITDA ¹	\$591	\$640
Tax Attributes	\$186	\$228
Adjusted EBITDA with Tax Attributes ²	\$777	\$868

Renewables SBU	\$161	\$111
Utilities SBU	\$223	\$182
Energy Infrastructure SBU	\$254	\$356
New Energy Technologies SBU	(\$25)	(\$17)
Corporate	(\$22)	\$8
Total Adjusted EBITDA	\$591	\$640


1.

The allocation of earnings and losses to tax equity investors from both consolidated entities and equity affiliates is removed from Adjusted EBITDA. NCI also excludes amounts allocated to preferred shareholders during the construction phase before a project becomes operational, as this is akin to a financing arrangement.

2.

Adjusted EBITDA with Tax Attributes includes the impact of the share of the ITCs, PTCs, and depreciation deductions allocated to tax equity investors under the HLBV accounting method and recognized as Net loss (income) attributable to noncontrolling interests and redeemable stock of subsidiaries on the Condensed Consolidated Statements of Operations. It also includes the tax benefit recorded from tax credits retained or transferred to third parties. The tax attributes are related to the Renewables and Utilities SBUs.

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Reconciliation of 2020 Adjusted PTC¹ and Adjusted EPS¹

\$ in Millions, Except Per Share Amounts	FY 2020	
	Net of NCI ²	Per Share (Diluted) Net of NCI ²
Income (Loss) from Continuing Operations, Net of Tax, Attributable to AES and Diluted EPS	\$43	\$0.06
Add: Income Tax Expense (Benefit) from Continuing Operations Attributable to AES	\$130	
Pre-Tax Contribution	\$173	
Adjustments		
Unrealized Derivative and Equity Securities Losses	\$3	\$0.01
Unrealized Foreign Currency Gains	(\$10)	(\$0.01)
Disposition/Acquisition Losses	\$112	\$0.17 ³
Impairment Losses	\$928	\$1.39 ⁴
Loss on Extinguishment of Debt	\$223	\$0.33 ⁵
Net Gains from Early Contract Terminations at Angamos	(\$182)	(\$0.27) ⁶
U.S. Tax Law Reform Impact	-	\$0.02 ⁷
Less: Net Income Tax Benefit	-	(\$0.26) ⁸
Adjusted PTC ¹ & Adjusted EPS ¹	\$1,247	\$1.44

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

2. NCI is defined as Noncontrolling Interests.

3. Amount primarily relates to loss on sale of Uruguaiana of \$85 million, or \$0.13 per share, loss on sale of the Kazakhstan HPPs of \$30 million, or \$0.05 per share, as a result of the final arbitration decision, and advisor fees associated with the successful acquisition of additional ownership interest in AES Brasil of \$9 million, or \$0.01 per share; partially offset by gain on sale of OPGC of \$23 million, or \$0.03 per share.

4. Amount primarily relates to asset impairments at AES Andes of \$527 million, or \$0.79 per share, other-than-temporary impairment of OPGC of \$201 million, or \$0.30 per share, impairments at our Guacolda and sPower equity affiliates, impacting equity earnings by \$85 million, or \$0.13 per share, and \$57 million, or \$0.09 per share, respectively; impairment at AES Hawaii of \$38 million, or \$0.06 per share, and impairment at Panama of \$15 million, or \$0.02 per share.

5. Amount primarily relates to losses on early retirement of debt at the Parent Company of \$146 million, or \$0.22 per share, DPL of \$32 million, or \$0.05 per share, Angamos of \$17 million, or \$0.02 per share, and Panama of \$11 million, or \$0.02 per share.

6. Amounts relate to net gains at Angamos associated with the early contract terminations with Minera Escondida and Minera Spence of \$182 million, or \$0.27 per share.

7. Amount represents adjustment to tax law reform remeasurement due to incremental deferred taxes related to DPL of \$16 million, or \$0.02 per share.

8. Amount primarily relates to income tax benefits associated with the impairments at AES Andes and Guacolda of \$164 million, or \$0.25 per share, and income tax benefits associated with losses on early retirement of debt at the Parent Company of \$31 million, or \$0.05 per share; partially offset by income tax expense related to net gains at Angamos associated with the early contract terminations with Minera Escondida and Minera Spence of \$49 million, or \$0.07 per share.

Reconciliation of FY Adjusted EBITDA¹

\$ in Millions	FY 2024	FY 2023
Net Income (Loss)	\$802	(\$182)
Income Tax Expense	\$59	\$261
Interest Expense	\$1,485	\$1,319
Interest Income	(\$381)	(\$551)
Depreciation, Amortization, and Accretion of AROs	\$1,264	\$1,147
EBITDA	\$3,229	\$1,994
Less: (Income) Loss from Discontinued Operations	\$7	(\$7)
Less: Adjustment for Noncontrolling Interests and Redeemable Stock of Subsidiaries ¹	(\$734)	(\$556)
Less: Income Tax Expense (Benefit), Interest Expense (Income) and Depreciation, Amortization, and Accretion of AROs from Equity Affiliates	\$136	\$131
Interest Income Recognized Under Service Concession Arrangements	\$65	\$71
Unrealized Derivative and Equity Securities Losses (Gains)	(\$94)	\$34
Unrealized Foreign Currency Losses	\$16	\$301
Disposition/Acquisition Losses (Gains)	(\$323)	(\$79)
Impairment Losses	\$280	\$877
Loss on Extinguishment of Debt	\$57	\$62
Adjusted EBITDA ¹	\$2,639	\$2,828
Tax Attributes	\$1,313	\$611
Adjusted EBITDA with Tax Attributes ²	\$3,952	\$3,439

Renewables SBU	\$552	\$652
Utilities SBU	\$792	\$678
Energy Infrastructure SBU	\$1,366	\$1,540
New Energy Technologies SBU	(\$38)	(\$62)
Corporate	(\$33)	\$20
Total Adjusted EBITDA	\$2,639	\$2,828

1. The allocation of earnings to tax equity investors from both consolidated entities and equity affiliates is removed from Adjusted EBITDA. NCI also excludes amounts allocated to preferred shareholders during the construction phase before a project becomes operational, as this is akin to a financing arrangement.
2. Adjusted EBITDA with Tax Attributes includes the impact of the share of Investment Tax Credits, Production Tax Credits, and depreciation deductions allocated to tax equity investors under the HLBV accounting method and recognized as Net Loss Attributable to Noncontrolling Interests and Redeemable Stock of Subsidiaries on the Condensed Consolidated Statements of Operations. It also includes the tax benefit recorded from tax credits retained or transferred to third parties. The tax attributes are related to the Renewables and Utilities SBUs.

Reconciliation of Parent Free Cash Flow¹

\$ in Millions	2024	2023	2022	2021	2020
Net Cash Provided by Operating Activities at the Parent Company ²	\$731	\$608	\$434	\$570	\$434
Subsidiary Distributions to QHCs Excluded from Schedule 1 ³	\$233	\$247	\$257	\$47	\$198
Subsidiary Distributions Classified in Investing Activities ⁴	\$344	\$179	\$366	\$290	\$238
Parent-Funded SBU Overhead and Other Expenses Classified in Investing Activities ⁵	(\$200)	(\$31)	(\$149)	(\$69)	(\$85)
Other	(\$1)	-	(\$2)	\$1	(\$8)
Parent Free Cash Flow ¹	\$1,107	\$1,003	\$906	\$839	\$777

1. Parent Free Cash Flow is a non-GAAP financial measure. See "definitions".

2. Refer to Net Cash Provided by Operating Activities at the Parent Company as reported at Part IV—Item 15—Schedule I—Condensed Financial Information of Registrant included in the Company's most recent 10-K filed with the SEC.

3. Subsidiary distributions received by Qualified Holding Companies ("QHCs") excluded from Schedule 1. See "definitions".

4. Subsidiary distributions that originated from the results of operations of an underlying investee but were classified as investing activities when received by the relevant holding company included in Schedule 1.

5. Net cash payments for parent-funded SBU overhead, business development, taxes, transaction costs, and capitalized interest that are classified as investing activities or excluded from Schedule 1.

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 have 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 EBITDA, a non-GAAP measure, is defined by the Company as earnings before interest income and expense, taxes, depreciation, amortization, and accretion of AROs. We define Adjusted EBITDA as EBITDA adjusted for the impact of NCI and interest, taxes, depreciation, amortization, and accretion of AROs of our equity affiliates, adding back interest income recognized under service concession arrangements, and excluding gains or losses of both consolidated entities and entities accounted for under the equity method due to (a) unrealized gains or losses pertaining to derivative transactions, equity securities, and financial assets and liabilities measured using the fair value option; (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 gains and losses recognized at commencement of sales-type leases; (d) losses due to impairments; (e) gains, losses, and costs due to the early retirement of debt or troubled debt restructuring; and (f) costs directly associated with a major restructuring program, including, but not limited to, workforce reduction efforts.

Adjusted EBITDA with Tax Attributes, a non-GAAP financial measure, is defined as Adjusted EBITDA, adding back the pre-tax effect of Production Tax Credits (“PTCs”), Investment Tax Credits (“ITCs”), and depreciation tax deductions allocated to tax equity investors, as well as the tax benefit recorded from tax credits retained or transferred to third parties.

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 pertaining to derivative transactions, equity securities, and financial assets and liabilities measured using the fair value option; (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, the tax impact from the repatriation of sales proceeds, and gains and losses recognized at commencement of sales-type leases; (d) losses due to impairments; (e) gains, losses and costs due to the early retirement of debt or troubled debt restructuring; and (f) costs directly associate with a major restructuring program, including, but not limited to, workforce reduction efforts.

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 pertaining to derivative transactions, equity securities, and financial assets and liabilities measured using the fairvalue option; (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 gains and losses recognized at commencement of sales-type leases; (d) losses due to impairments; (e) gains, losses and costs due to the early retirement of debt or troubled debt restructuring; and (f) costs directly associated with a major restructuring program, including, but not limited to, workforce reduction efforts. 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.

NCI is defined as noncontrolling interests.

Parent Company Liquidity (a non-GAAP financial measure) is defined as cash available to the Parent Company, including cash at qualified holding companies (“QHCs”), plus available borrowings under our existing credit facilities and commercial paper program. 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 Consolidated Net Cash Provided by Operating Activities, which is determined in accordance with US GAAP. Parent Free Cash Flow is the primary, recurring source of cash that is available for use by the Parent Company. 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. Management uses Parent Free Cash Flow to determine the cash available to pay dividends, repay recourse debt, make equity investments, fund share buybacks, pay Parent Company hedging costs and make foreign exchange settlements. We believe that Parent Free Cash Flow is useful to investors because it better reflects the Parent Company’s cash available to make growth investments, pay shareholder dividends, and make principal payments on recourse debt. Factors in this determination include availability of subsidiary distributions to the Parent Company and the Company’s investment plan.

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 Consolidated 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 Consolidated 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.

companies.