



2023 Investor Day

May 8, 2023



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.

Agenda



- **Introduction**
[Andrés Gluski](#) | President & CEO
- **Our Strategy**
[Ricardo Falú](#) | SVP, Chief Strategy & Commercial Officer and President, New Energy Technologies
- **Renewables**
[Leo Moreno](#) | President, AES Clean Energy
- **Energy Infrastructure**
[Juan Ignacio Rubiolo](#) | EVP and President, Energy Infrastructure
- **Utilities**
[Kristina Lund](#) | President, Utilities
- **New Energy Technologies**
[Chris Shelton](#) | SVP and Chief Product Officer
- **Financial Outlook**
[Steve Coughlin](#) | EVP & CFO
- **Conclusion**
[Andrés Gluski](#) | President & CEO

Introduction

Andrés Gluski | President & Chief
Executive Officer



We are Living Through a Once in a Lifetime Energy Transition

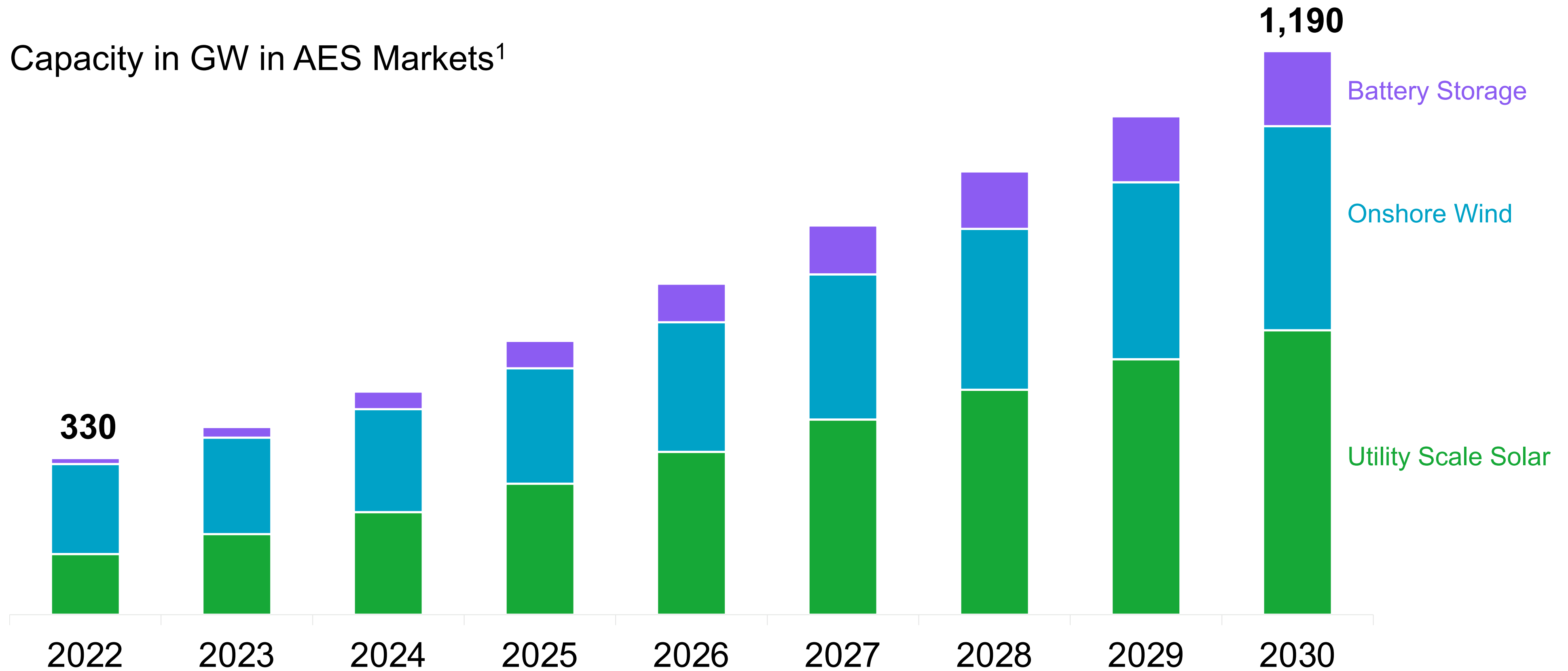
- 70 countries (76% of global GDP) have set net-zero targets¹
- \$1.3 trillion global annual renewables investment in 2030²
- 3x electricity load increase from 2021 to 2050³
- \$369 billion of clean energy investment from Inflation Reduction Act⁴



1. United Nations "Addendum to the Emissions Gap Report 2021".
2. International Energy Agency "2022 World Energy Outlook" page 122.
3. International Energy Agency "2022 World Energy Outlook" Table A.3c: World electricity sector.
4. US Treasury press release 11/29/22 "Treasury Announces Guidance on Inflation Reduction Act's Strong Labor Protections".

Energy Transition Happening Even Faster than We Thought Previously

Capacity in GW in AES Markets¹



1. Bloomberg New Energy Finance Data Viewer – New Energy Outlook 2022, Including AES' US & Latin America markets, excluding Bulgaria and Vietnam.

AES is Well-Positioned to Create Value from the Energy Transition

Our New Strategic Business Units (SBUs)

Renewables



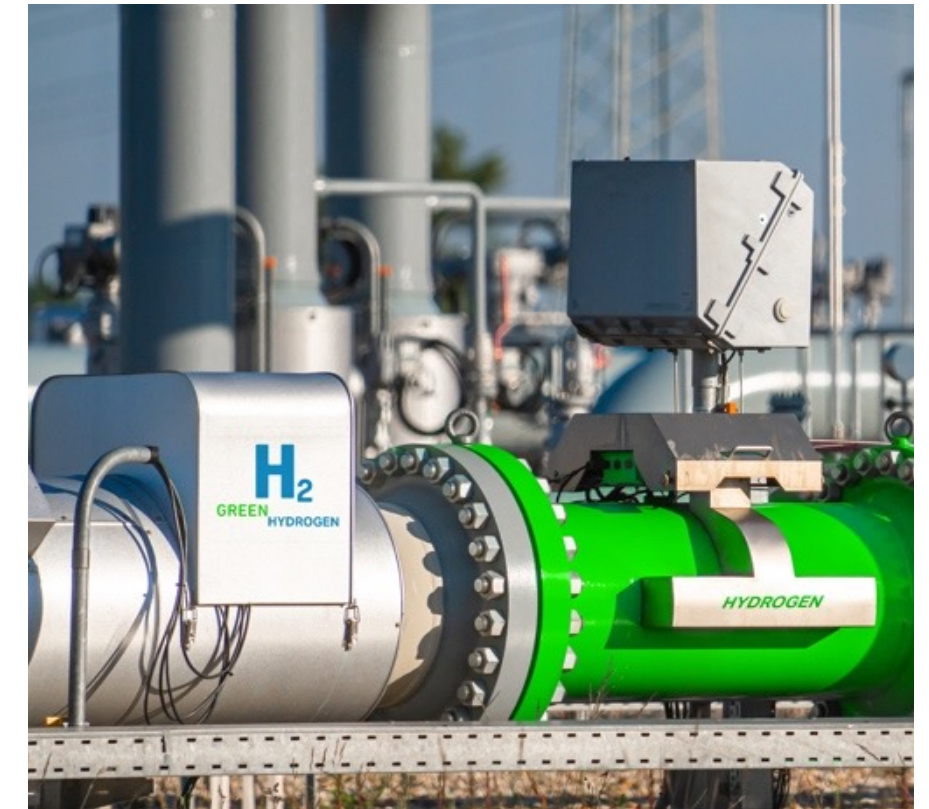
Utilities



Energy Infrastructure

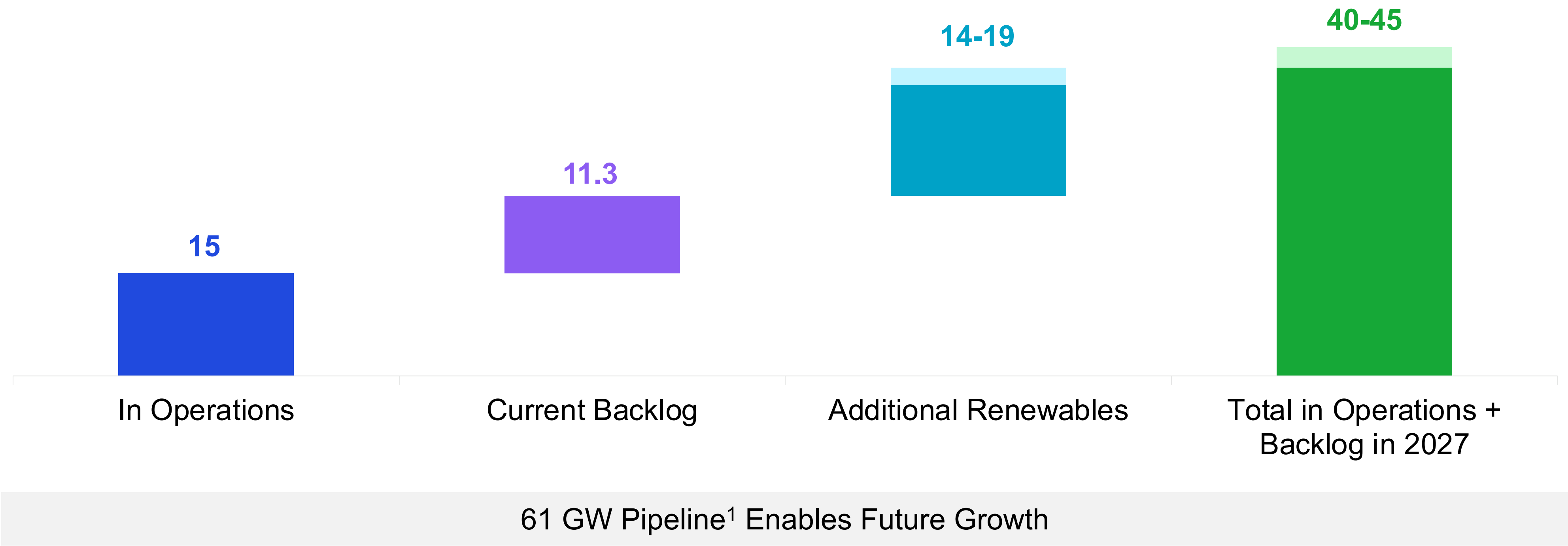


New Energy Technologies



AES is Among the Fastest Growing Renewables Companies

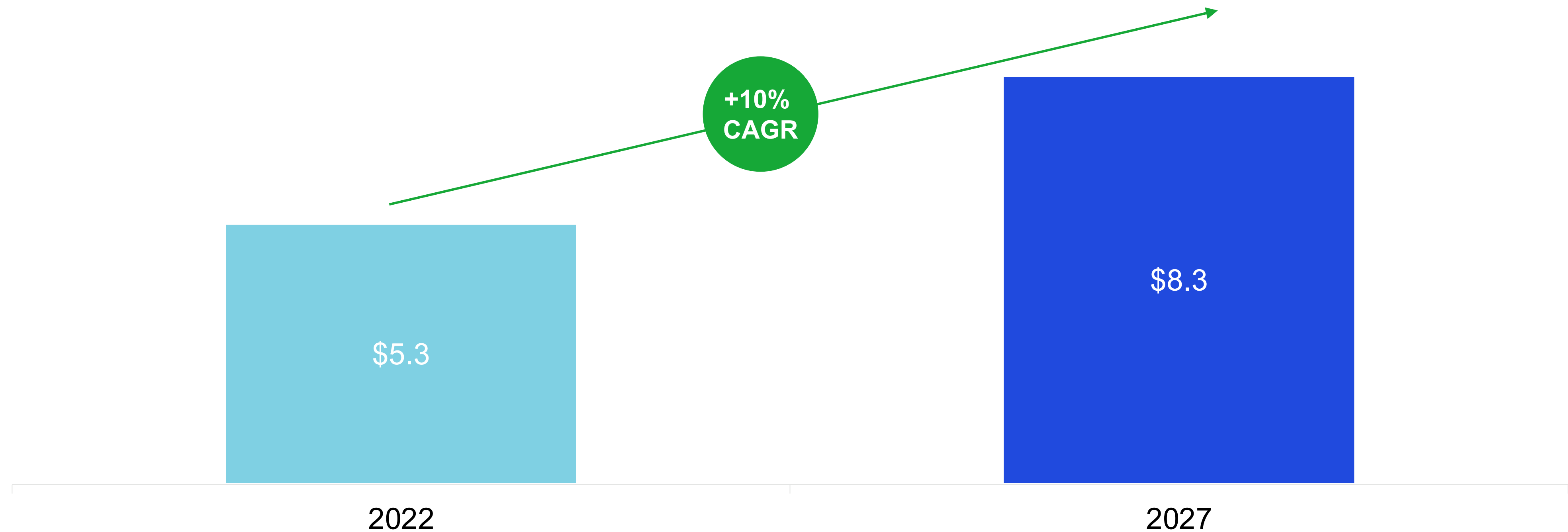
Renewables Capacity in GW



1. Excludes 2.7 GW of gas in Vietnam.

AES is Among the Fastest Growing US Utilities

Rate Base, \$ in Billions



Adjusted PTC¹ Growing at 17%-20% from 2023 to 2027

1. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted PTC guidance without unreasonable effort. See Appendix for definition and for a description of the adjustments to reconcile Adjusted PTC to Income (Loss) from Continuing Operations, Net of Tax, Attributable to AES for 2022.

AES is a Leader in New Energy Technologies



FLUENCE®
A Siemens and AES Company



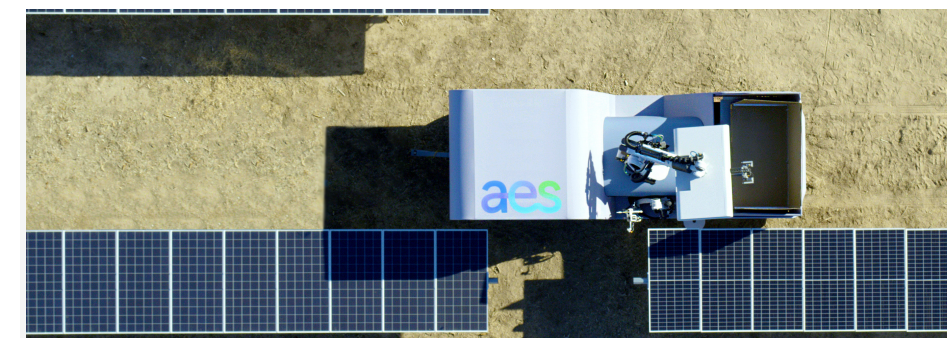
uplight™



5B



24/7 Carbon-Free Energy



Atlas



Green Hydrogen

Transition will Not Occur
Overnight

AES will Continue to
Create Value from its
Infrastructure Assets

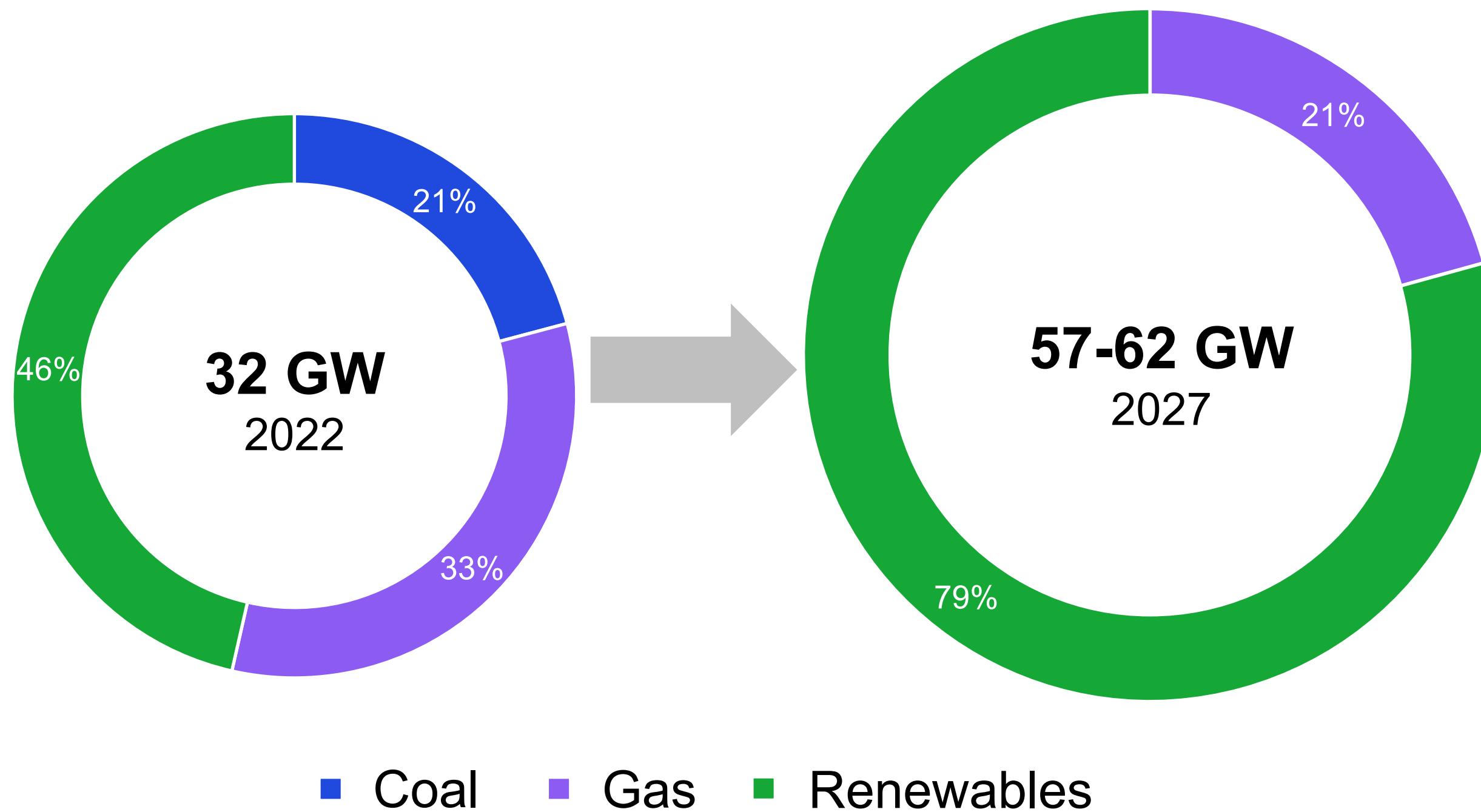


AES in 2027



Nearly Doubling Installed Capacity with Renewables Growing More than 3x

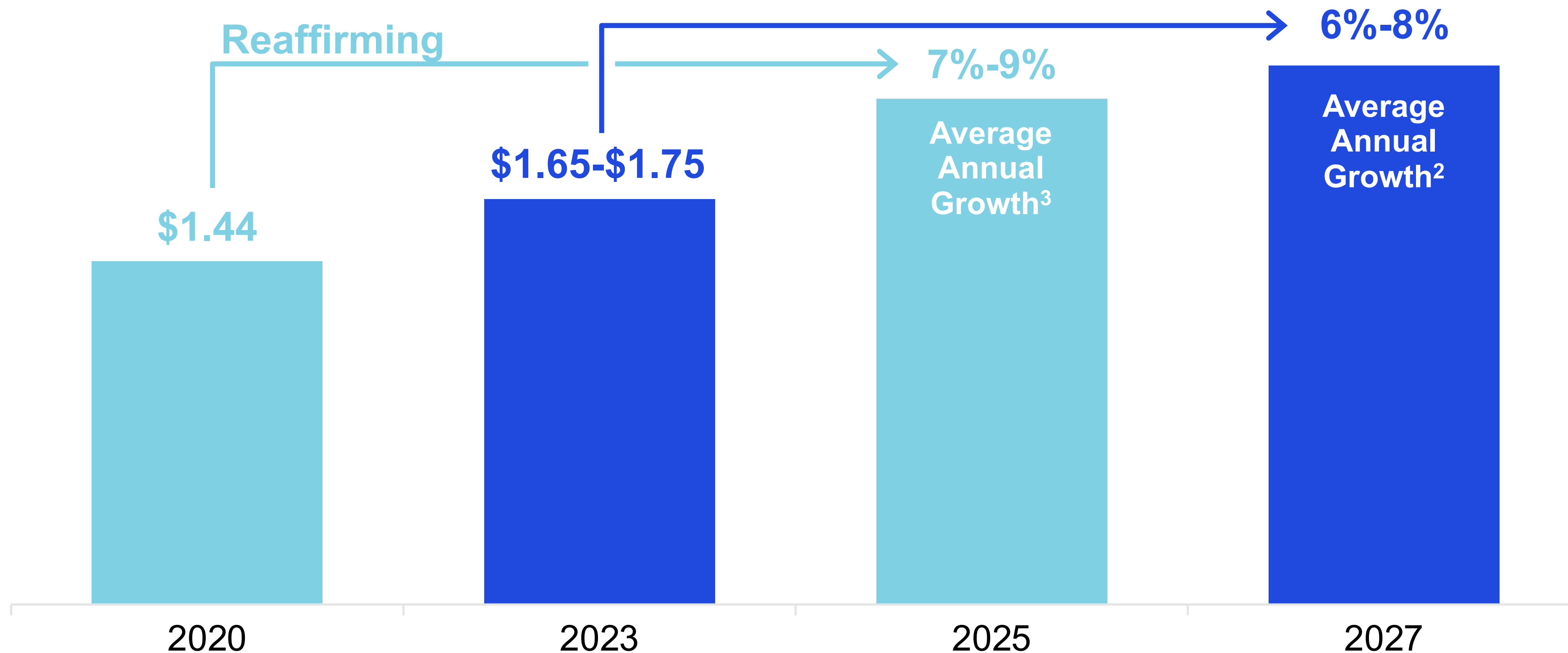
Capacity in GW



2027 Portfolio

0% Coal
79% Renewables
21% Gas

6% to 8% Adjusted EPS¹ Annualized Growth Target Through 2027²



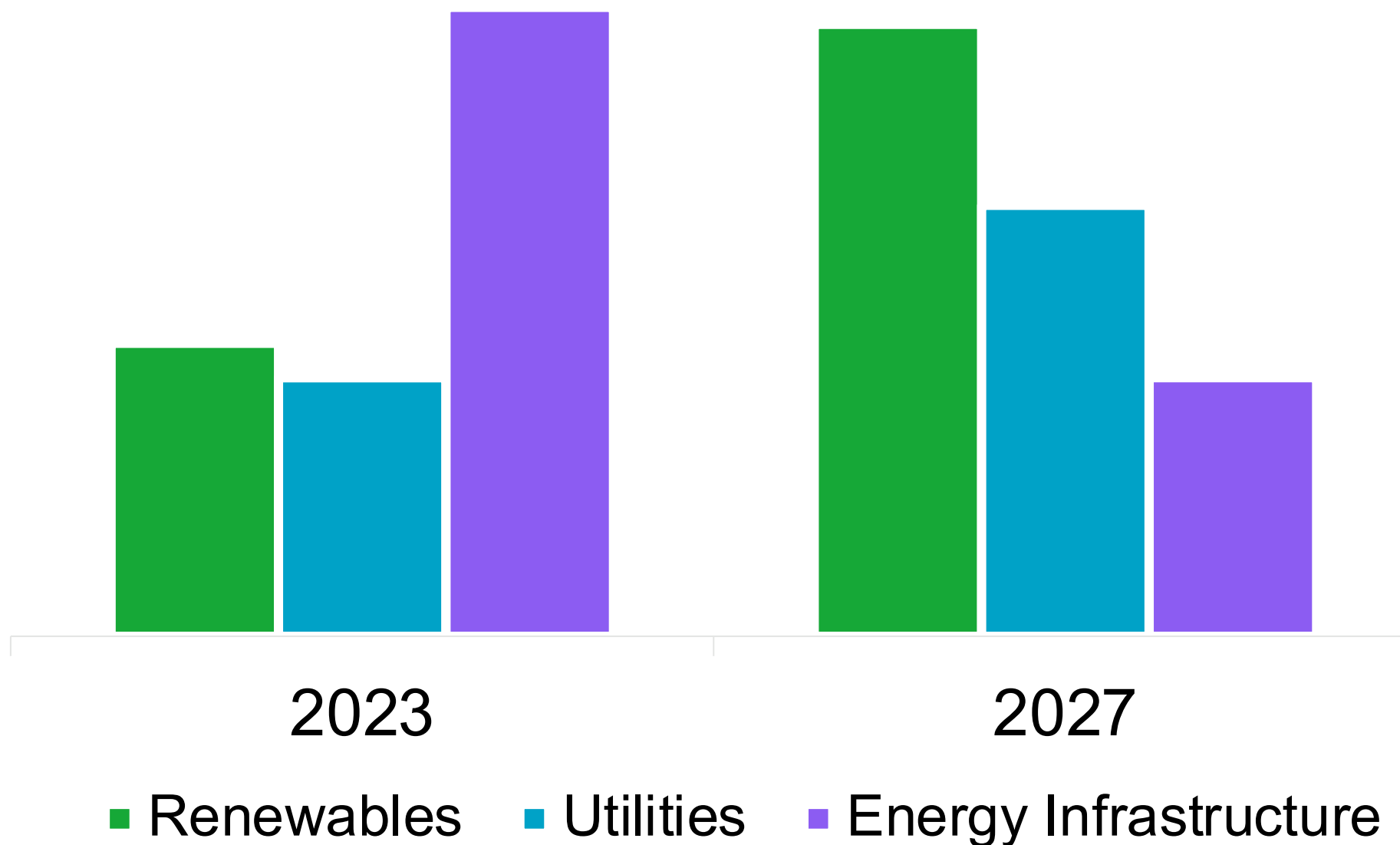
1. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted EPS guidance without unreasonable effort. See Appendix for definition and for a description of the adjustments to reconcile Adjusted EPS to Diluted EPS for 2022.

2. Average annual growth from a base of the mid-point of 2023 Adjusted EPS guidance of \$1.65 to \$1.75.

3. Average annual growth from a base of 2020 Adjusted EPS guidance of \$1.44.

Substantial Growth in Adjusted EBITDA¹ from Renewables & Utilities

Adjusted EBITDA¹



Average Annual SBU Target Growth Rates² Through 2027



Renewables

19%-21%



Utilities

12%-14%

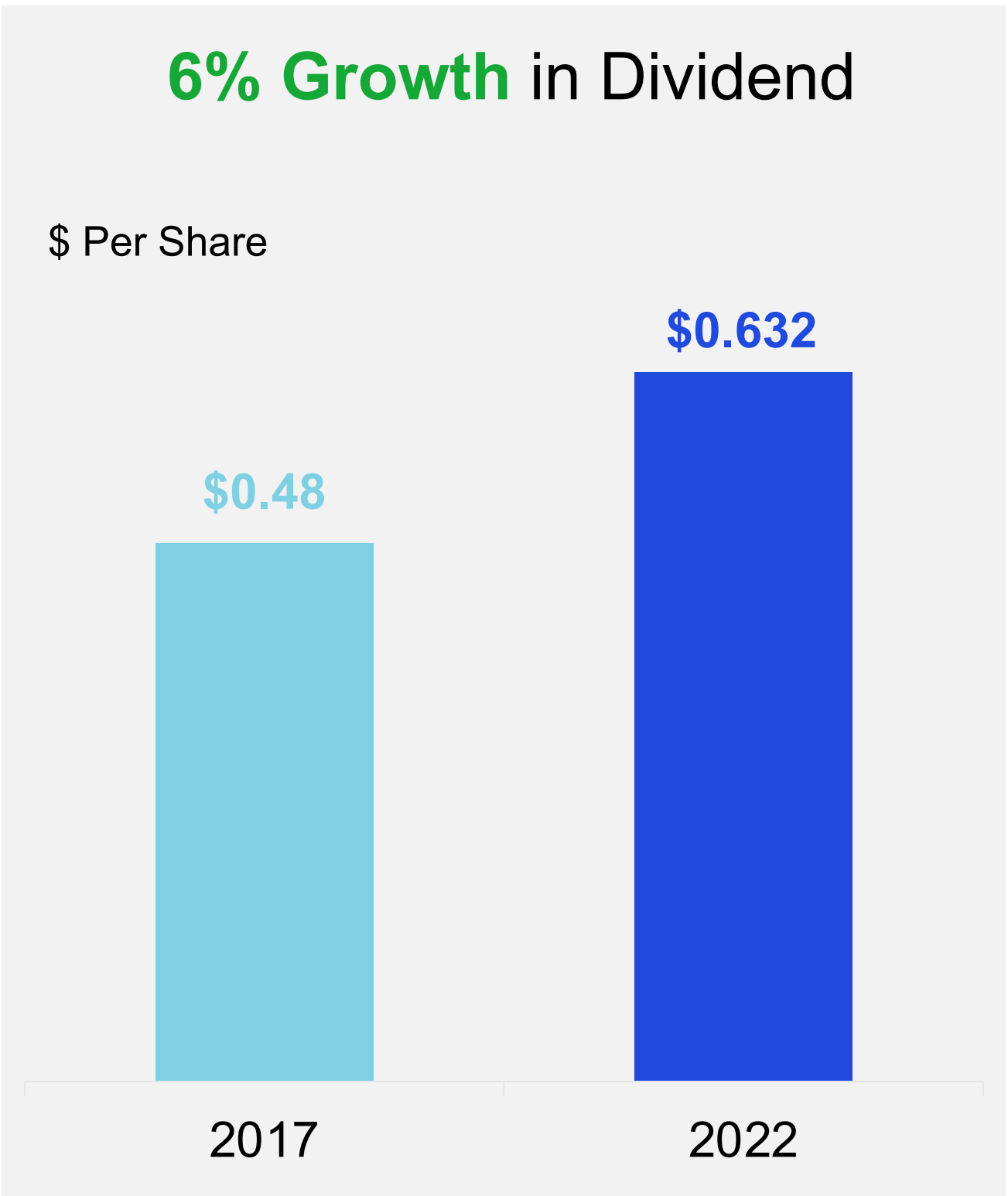
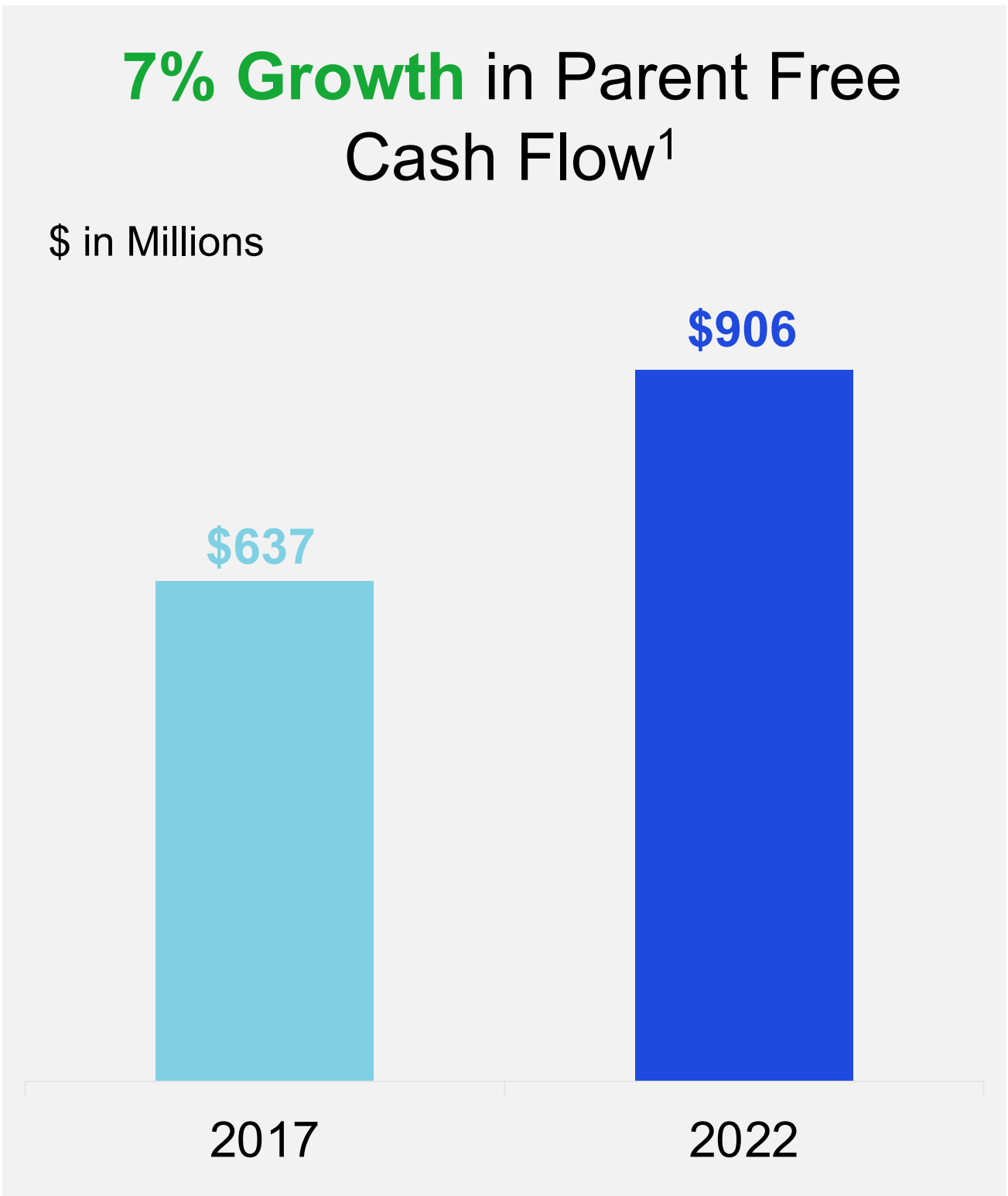
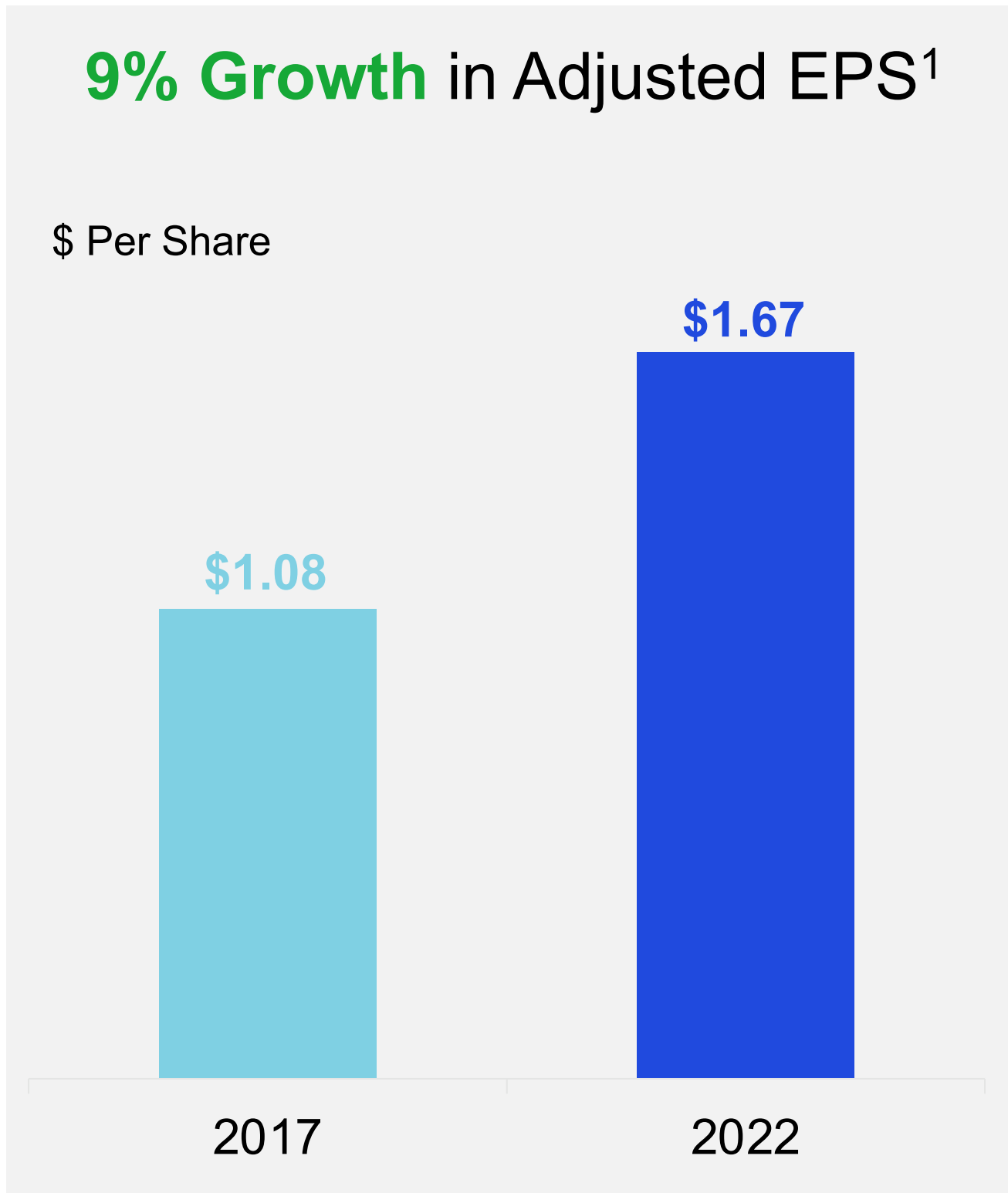


Energy Infrastructure

(15%)-(17%)

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 2022.
2. From a base of the mid-point of 2023 Adjusted EBITDA guidance of \$660 to \$730 million for Renewables, \$600 to \$670 million for Utilities, and \$1,450 to \$1,620 million for Energy Infrastructure.

5-Year Proven Track Record



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

Our Strategy

Ricardo Falú | SVP, Chief Strategy & Commercial Officer and President, New Energy Technologies



Our Strategy

Leading the **Green Transition** by Becoming the Energy Solution Partner of Choice



Customers



Investors



Suppliers



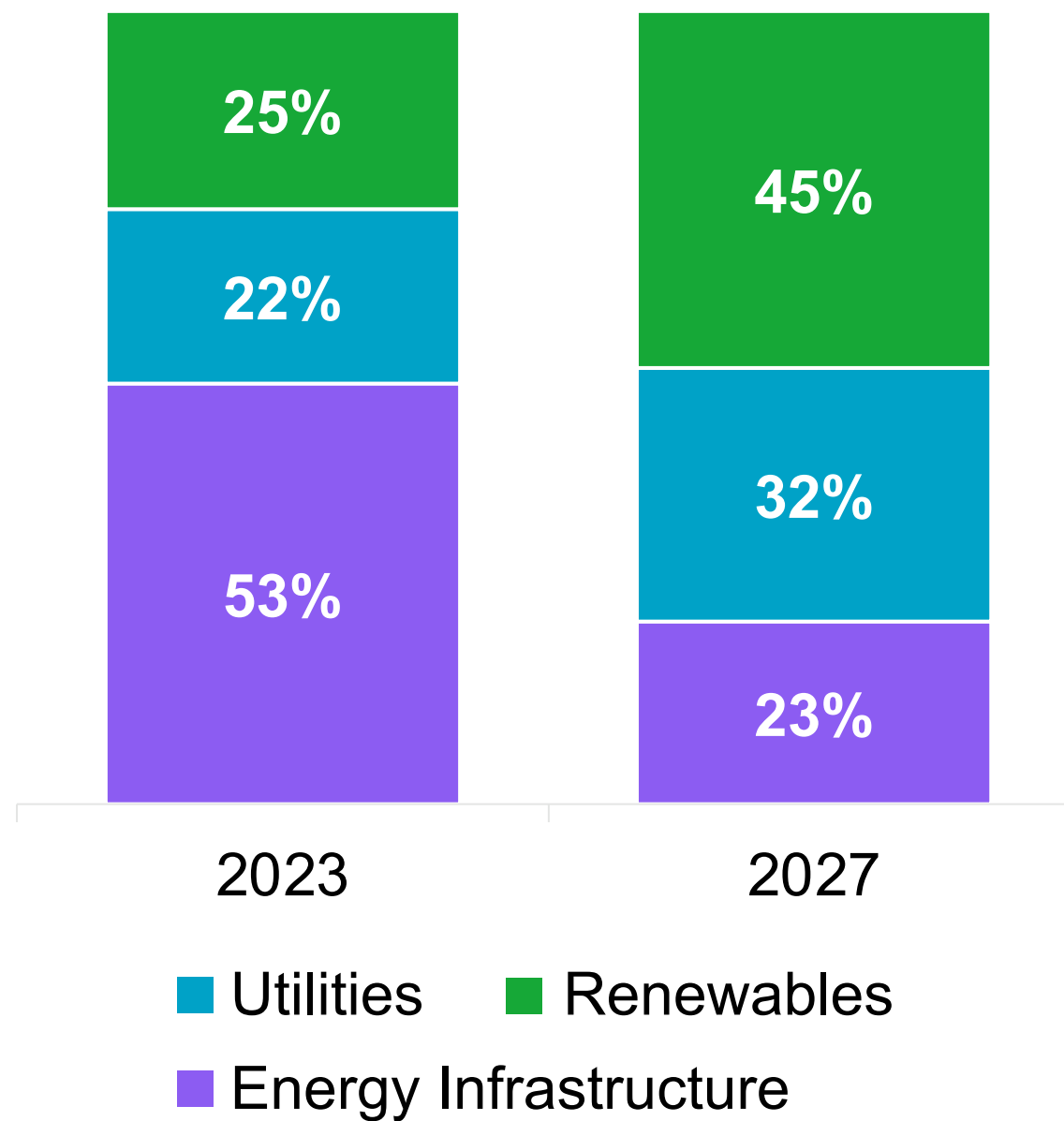
Regulators

Our Strategic Objectives

2023-2027

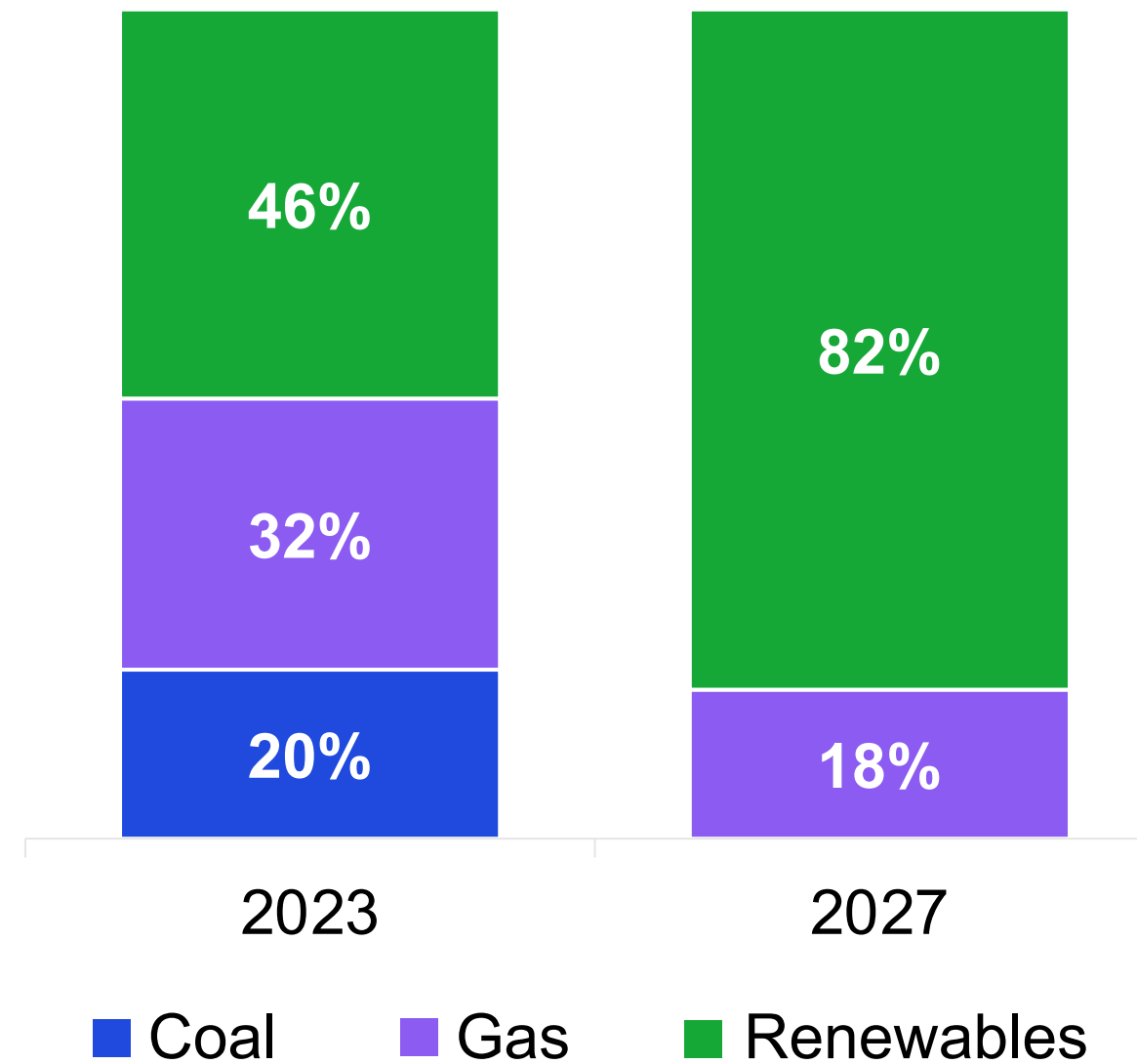
Green Our Customers

% of Adjusted EBITDA¹



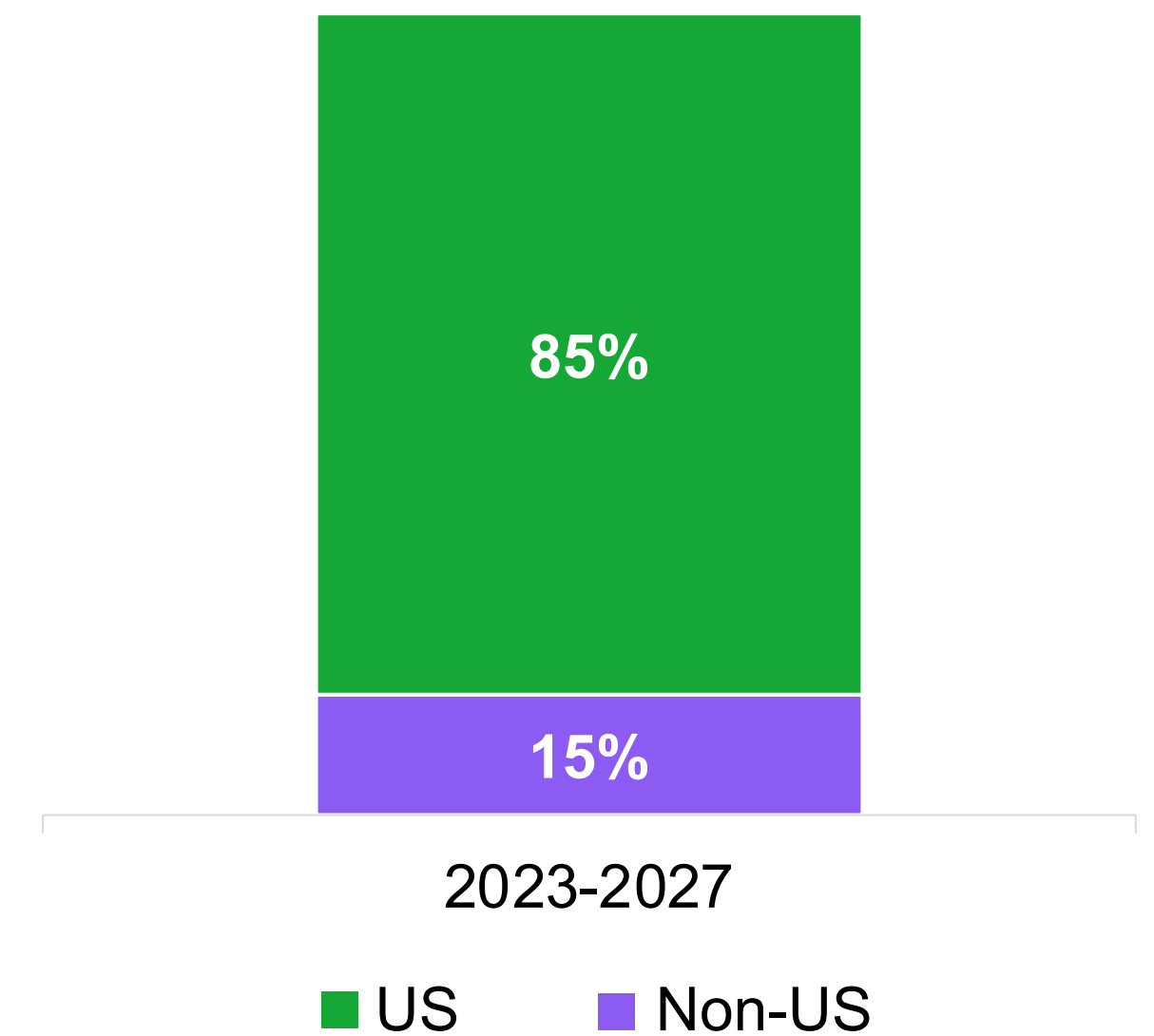
Decarbonize Our Portfolio

Installed Capacity² (GW)



Focus on the US

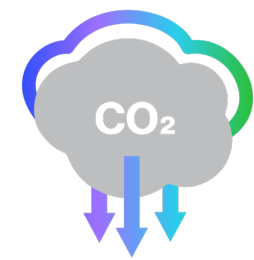
Equity Investments (\$ in Billions)



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 2022. Excluding New Energy Technologies and Corporate SBUs.

2. Excludes other fuel sources, such as oil and diesel.

Our Leading ESG Targets



Intend to Have
Zero Coal in Our Portfolio
by Year-End 2025¹

2030

Generation portfolio
carbon intensity in line with
a well below 2°C scenario

2040

**Net zero carbon
emissions from
electricity sales²**

2050

Net zero carbon
emissions for entire
business portfolio²

1. Through asset sales, fuel conversions and retirements, while maintaining reliability and affordability, and subject to necessary approvals.

2. Initiated on March 3, 2021. Actions assume new policies that facilitate transition to low emissions energy systems, such as price on carbon. Includes Scope 1 and 2 emissions.

Our Strategic Actions

2023-2027

1

Grow in Carbon-Free Energy
in Select Markets



Renewables

2

Invest in Our US Utilities



Utilities

3

Deliver on our intent to Exit
Coal¹ and Maximize Value of
Gas and LNG



Energy Infrastructure

4

Develop a Leading Green
Hydrogen Platform



New Energy Technologies

1. Through asset sales, fuel conversions and retirements, while maintaining reliability and affordability, and subject to necessary approvals.

1 Grow in Carbon-Free Energy in Select Markets

2023-2027



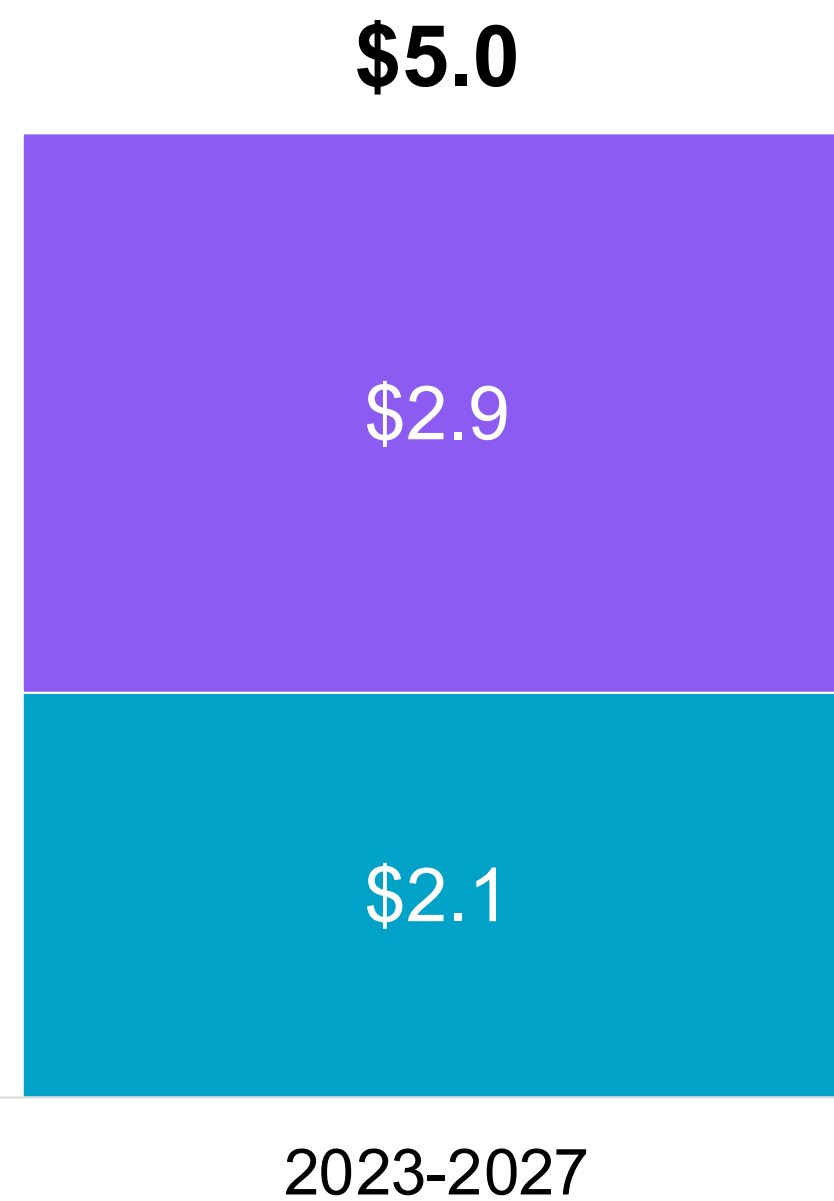
Expect to Add 25-30 GW of Renewables Through 2027 to Reach 40-45 GW

85% of AES Equity Investments in Renewables Expected to be in the US

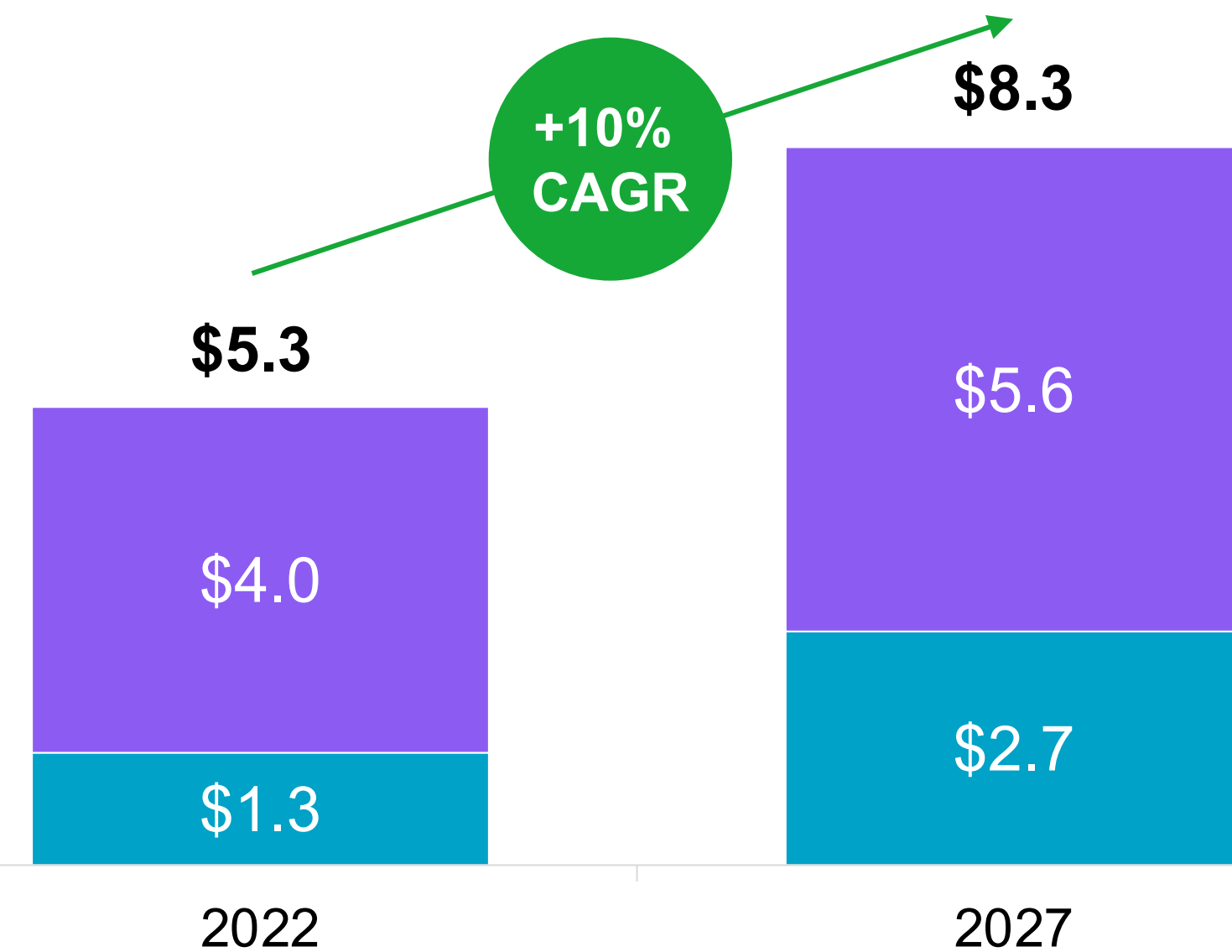
Internationally Focused on Multinational Corporate Customers in Chile, Brazil & Mexico

2 Invest in Our US Utilities

Investment (\$ in Billions)



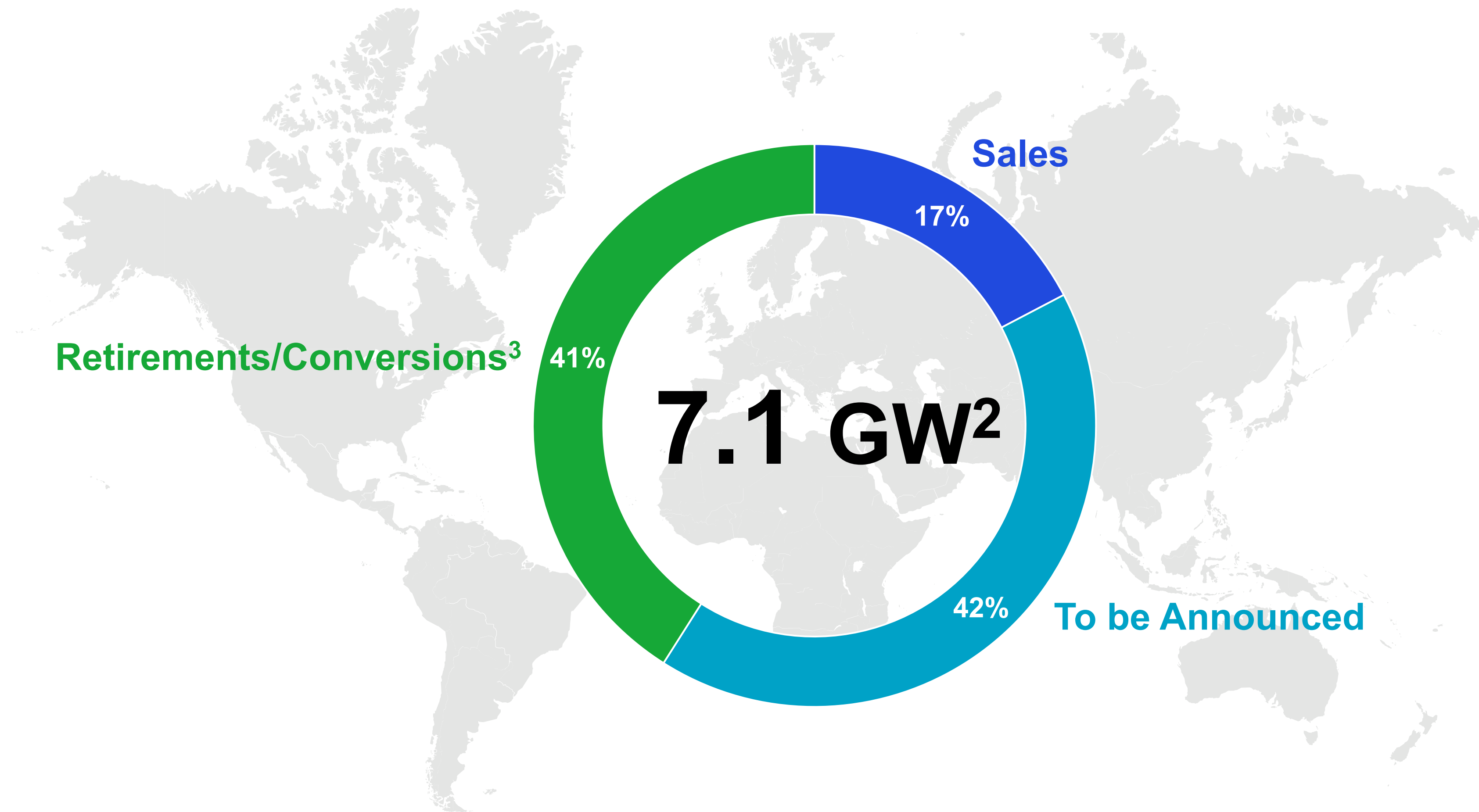
Rate Base (\$ in Billions)



■ AES Ohio

■ AES Indiana

3 Deliver on Our Intent to Exit Coal by 2025¹



1. Through asset sales, fuel conversions and retirements, while maintaining reliability and affordability, and subject to necessary approvals.

2. Includes 550 MW of pet coke.

3. Includes Warrior Run PPA buyout.

4 Developing a Leading Green Hydrogen Platform

Largest Green H2 Project in the US



1.4 GW
Solar & Wind Capacity

200 MT/D¹
Green Hydrogen Production

\$4 Billion
Capex

2027
Start of Operation

Global Pipeline of 800 MT/D¹

1. Metric Tons per Day.

Our Competitive Advantages to Execute on Our Strategy

Strong Renewables Platform

- Global renewables pipeline of 61 GW
- Best-in-class processes and capabilities enable consistent execution



Integrated & Reliable Supply Chain

- Strategic, multi-year partnerships allow for careful coordination and planning
- Global scale facilitates procurement with attractive terms



Strategic Partnerships

- Use of equity partnerships enables scale and creates market-specific strategic advantages
- Long-term customer relationships create trust, which supports future growth



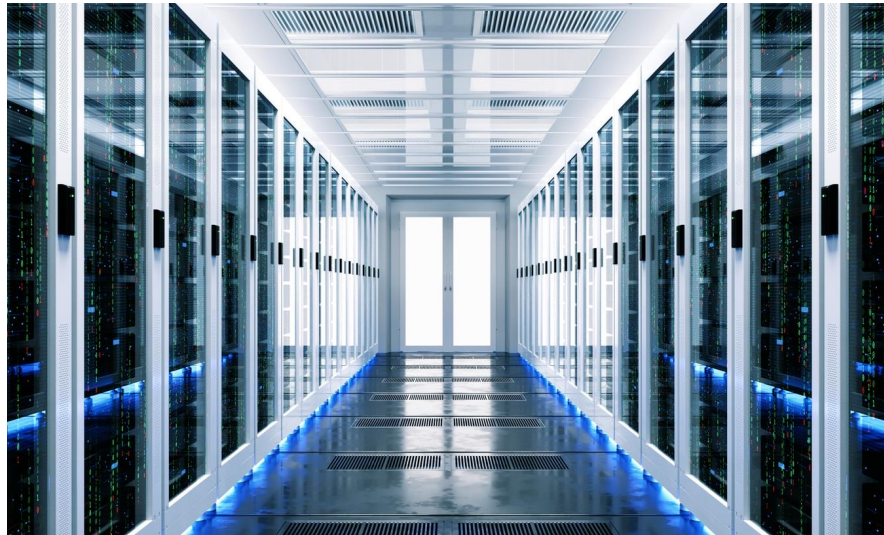
Innovative Solution Leader

- Incorporation of new innovations builds competitive edge across AES business lines
- New technology business platforms provide additional source of value



Our Customer Segments for Growth

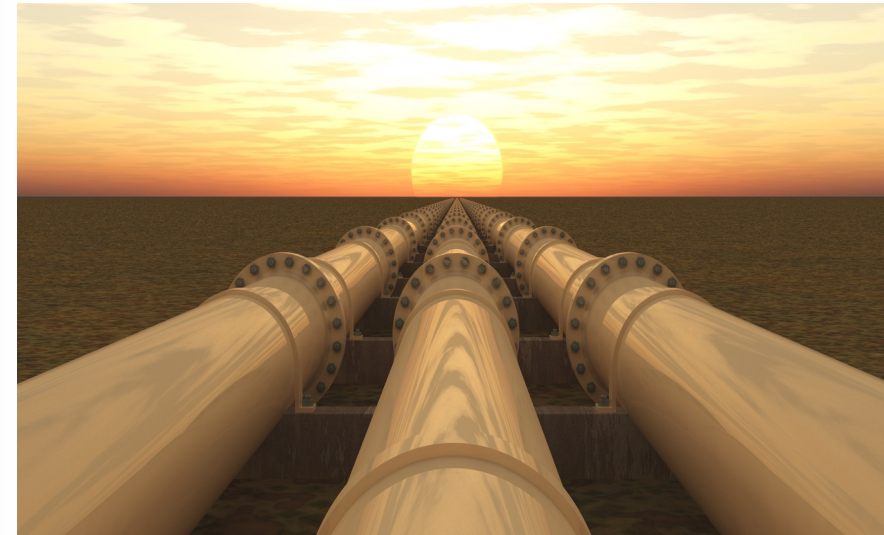
Big Tech



Mining



Large C&I



US Utilities



Long-Term, US Dollar-Denominated Contracts with Credit-Worthy Counterparties

Illustrative Case: Working with Mining Industry to Support Energy Transition

AES has Differentiated Ability to Serve Customers' Diverse Energy Needs

Energy Security



Capacity | Tolling Agreements

Support Mining Energy Needs with
Reliable & Competitive Power

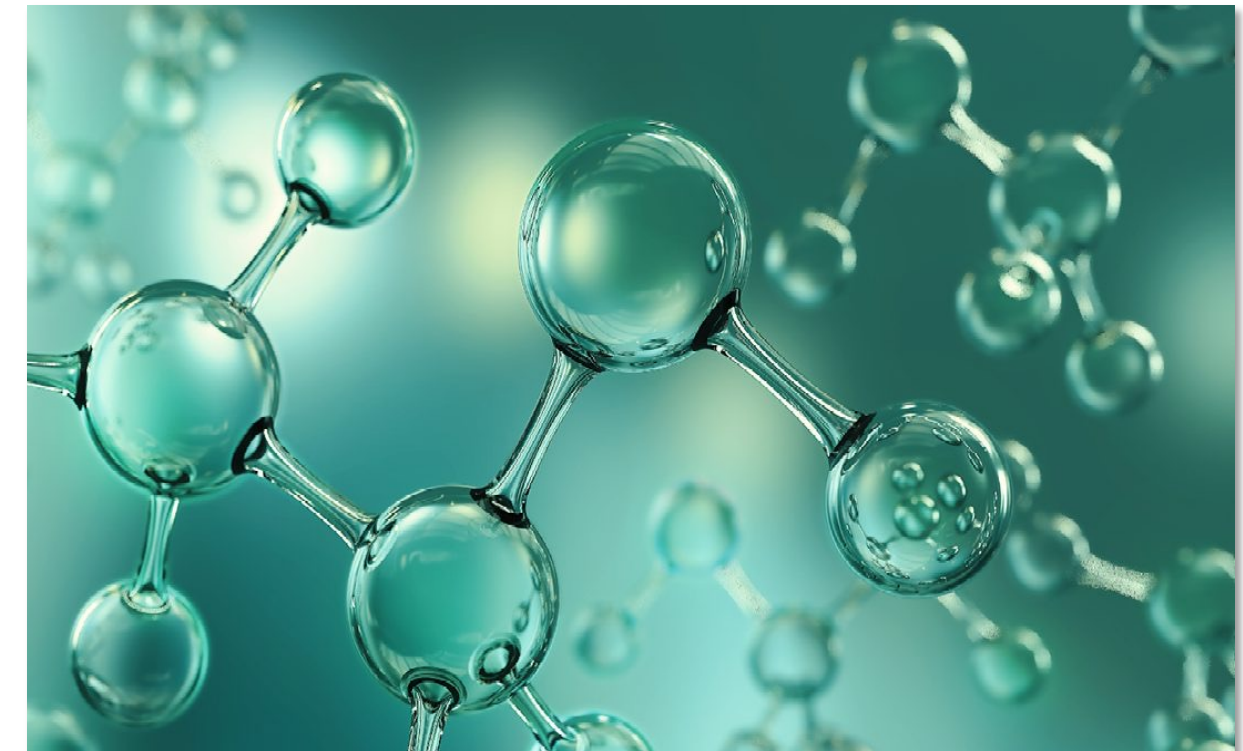
Green Electricity



Energy | Green Blend & Extend

Decarbonize Electricity Supply &
Increase Competitiveness

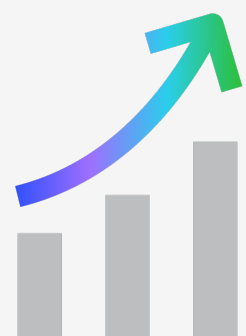
Electrify Everything



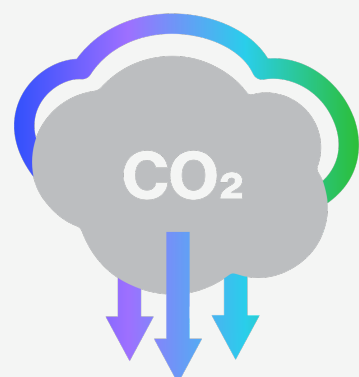
Green H2

Replace Fossil Fuel with Clean Energy
in Mining Operations

Key Takeaways



Renewables & Utilities Businesses Among the Fastest Growing in the Sector



Accelerated Plan to Decarbonize Our Portfolio



Our Competitive Advantages Create Superior Value from the Energy Transition

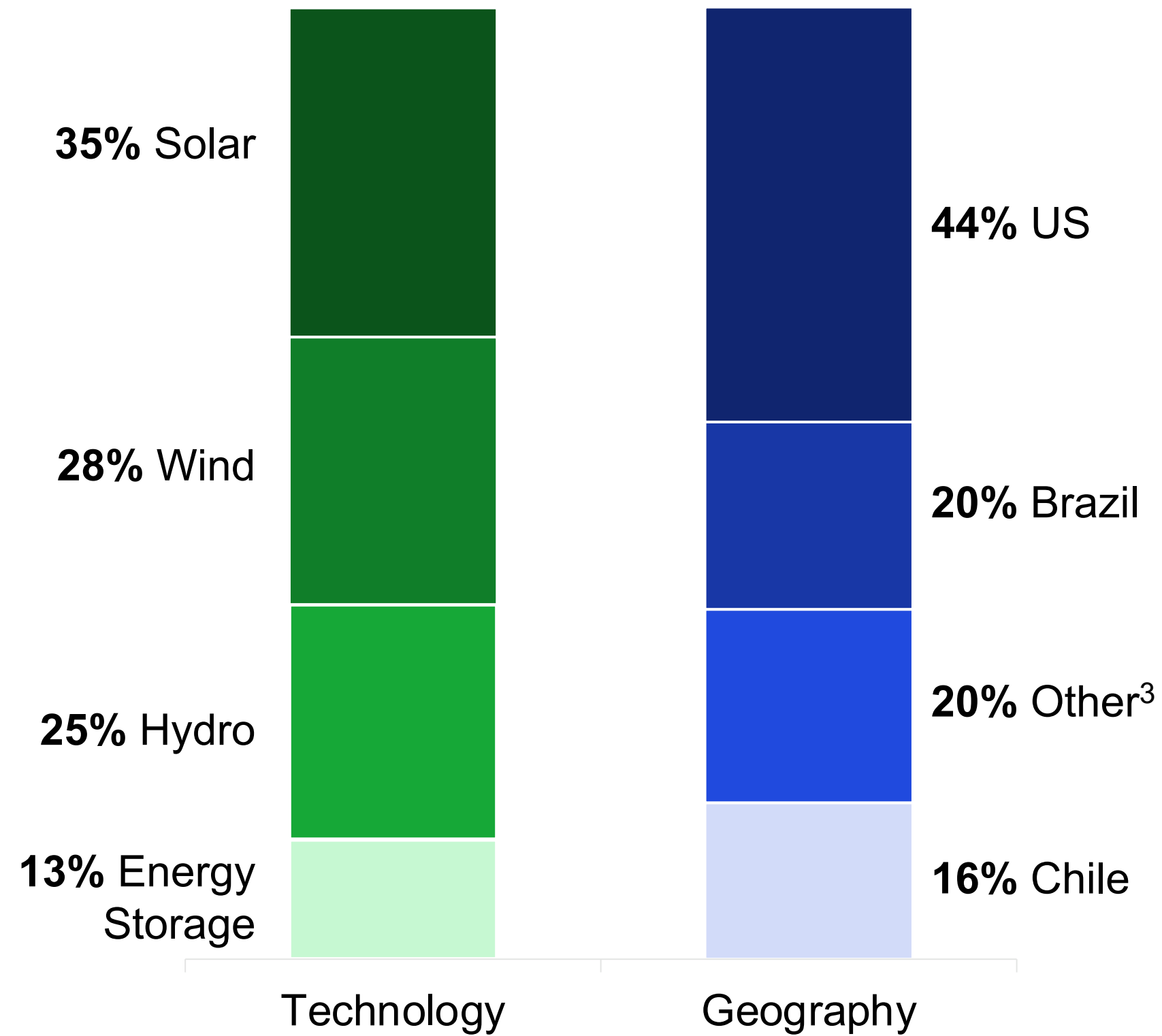
Renewables

Leo Moreno | President, AES Clean Energy



Renewables Overview

26.2 GW in Operation¹ + Backlog²
>90% Contracted



11.3 GW Backlog²

>90% US Dollar-Denominated

19-Year Average PPA Contract Life

50% of Customers Multinational Corporations

85% of Renewable Equity Investments to be in the US

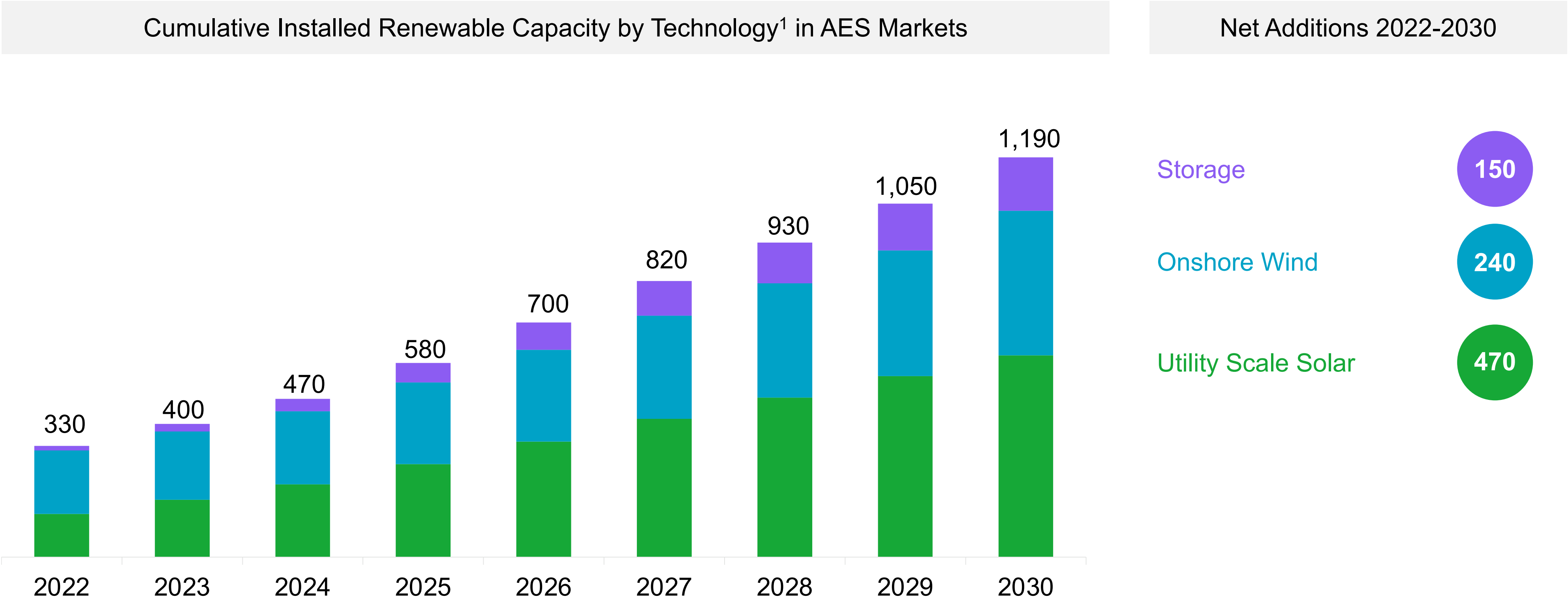
1. Operations includes all renewables, which may be reported in segments other than the Renewables SBU. Excludes biomass and landfill gas.

2. Excludes 670 MW of gas in Panama.

3. Includes Argentina, Bulgaria, Colombia, Dominican Republic, El Salvador, India, Jordan, Mexico, the Netherlands and Panama.

Capacity Growth Opportunity in Our Markets

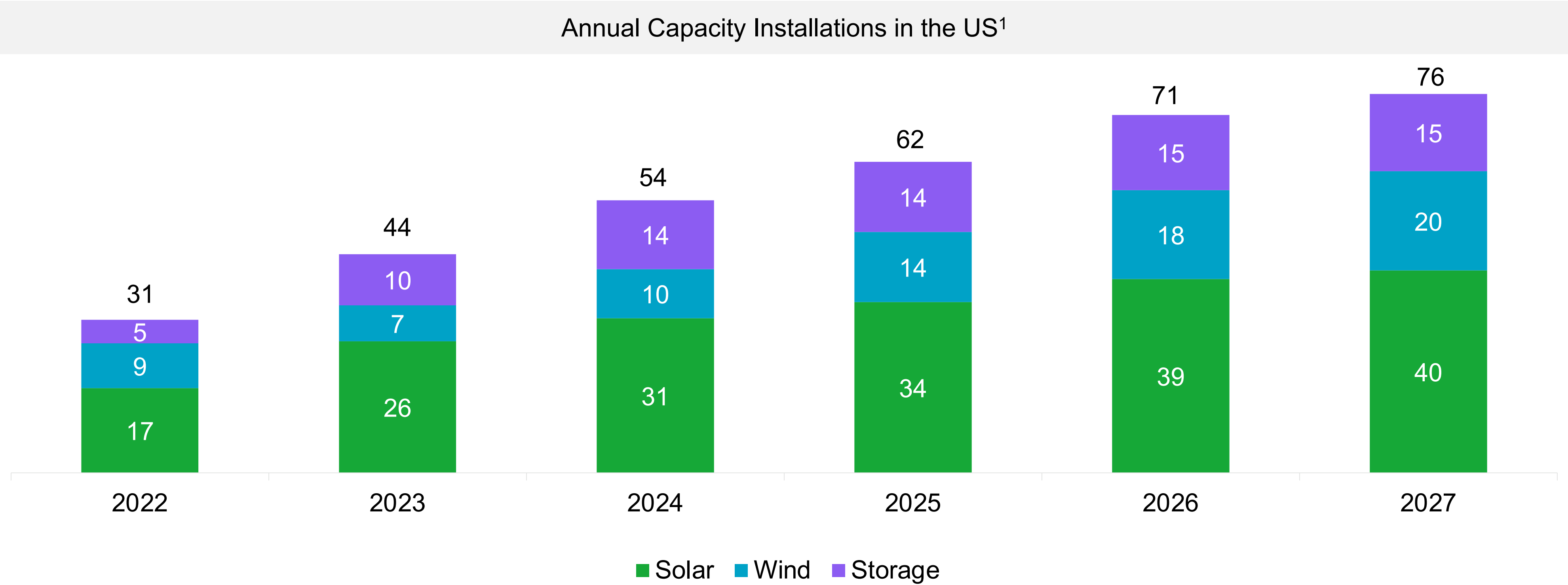
Capacity in GW



1. Bloomberg New Energy Finance Data Viewer – New Energy Outlook 2022, US & LatAm.

IRA Accelerating Demand for Renewables in the US

Capacity in GW



1. BNEF 1H 2023 US Clean Energy Market Outlook

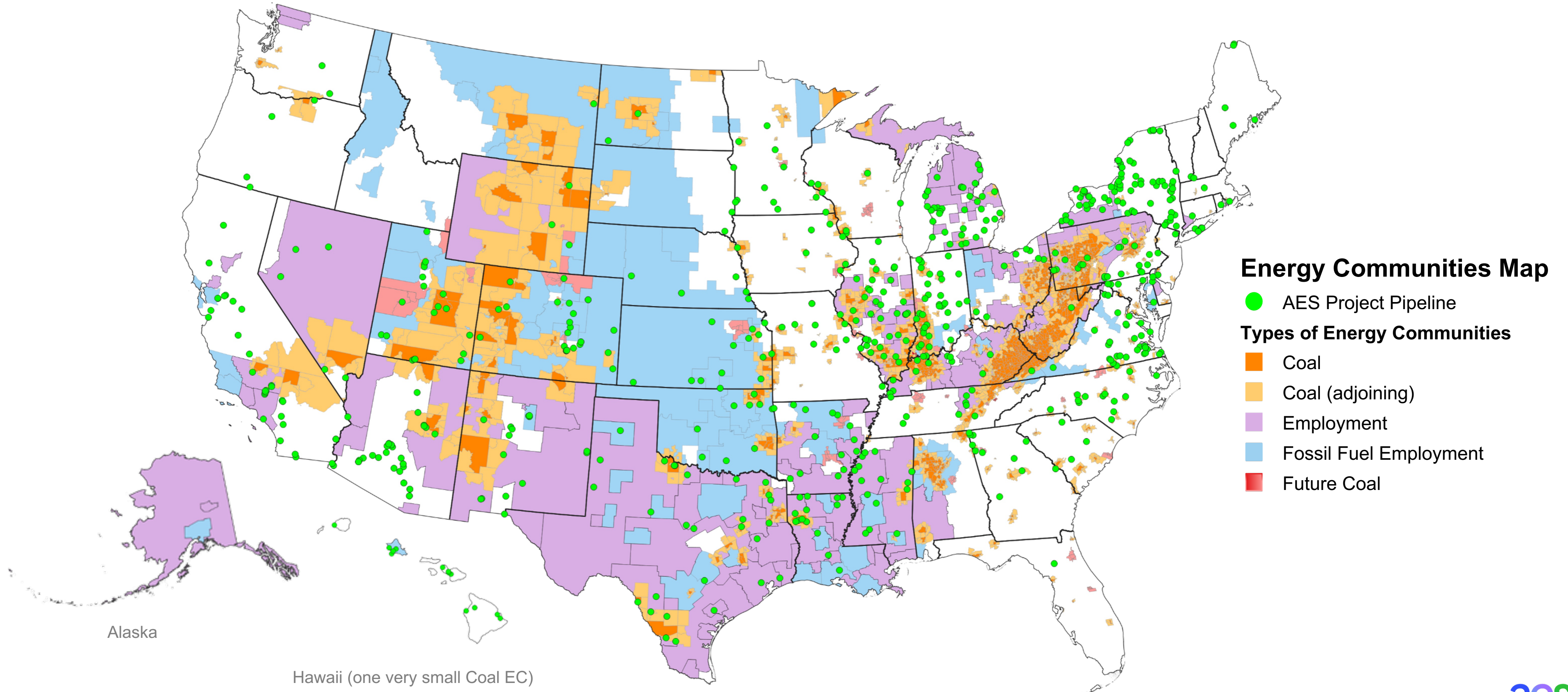
Upsides Created by the Inflation Reduction Act (IRA)

	Market Upside	AES Advantage
Energy Communities	→ Significant number of projects become more attractive for customers	→ Large portion of the pipeline in energy communities
Extension of ITC¹/PTC² for Solar and Wind	→ Potential market increase from current 30 GW to 70-80 GW	→ Pipeline of 51 GW in the US, one of the largest in the market
Hydrogen PTC²	→ Potential to expand the market to include all long-haul transport in the US	→ Leading the industry with \$4 billion project with Air Products
Storage ITC¹	→ Significant increase for market of stand-alone storage	→ Energy storage leader with longest track record in the market
Domestic Content Incentives	→ Incentivizes supply chains to move to the US	→ Early mover with launch of the US Solar Buyer Consortium in 2022

1. Investment Tax Credit.
2. Production Tax Credit.

AES is Well-Positioned to Capitalize on IRA Tax Benefits

30% of AES Pipeline Overlaps with Anticipated Energy Communities



Source: Created with AES internal data and publicly available information.

AES Renewables Strategy



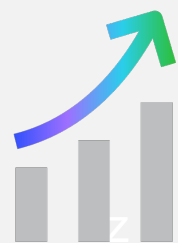
Customer Intimacy

- Premier seller of renewables to corporates
- Unique customer insight and relationships
- Differentiated reputation in execution with customers



Differentiated Solutions

- 24/7 Carbon Free Energy
- Customized premium structured solutions
- Green flexible capacity



Well-Positioned for Execution at Scale

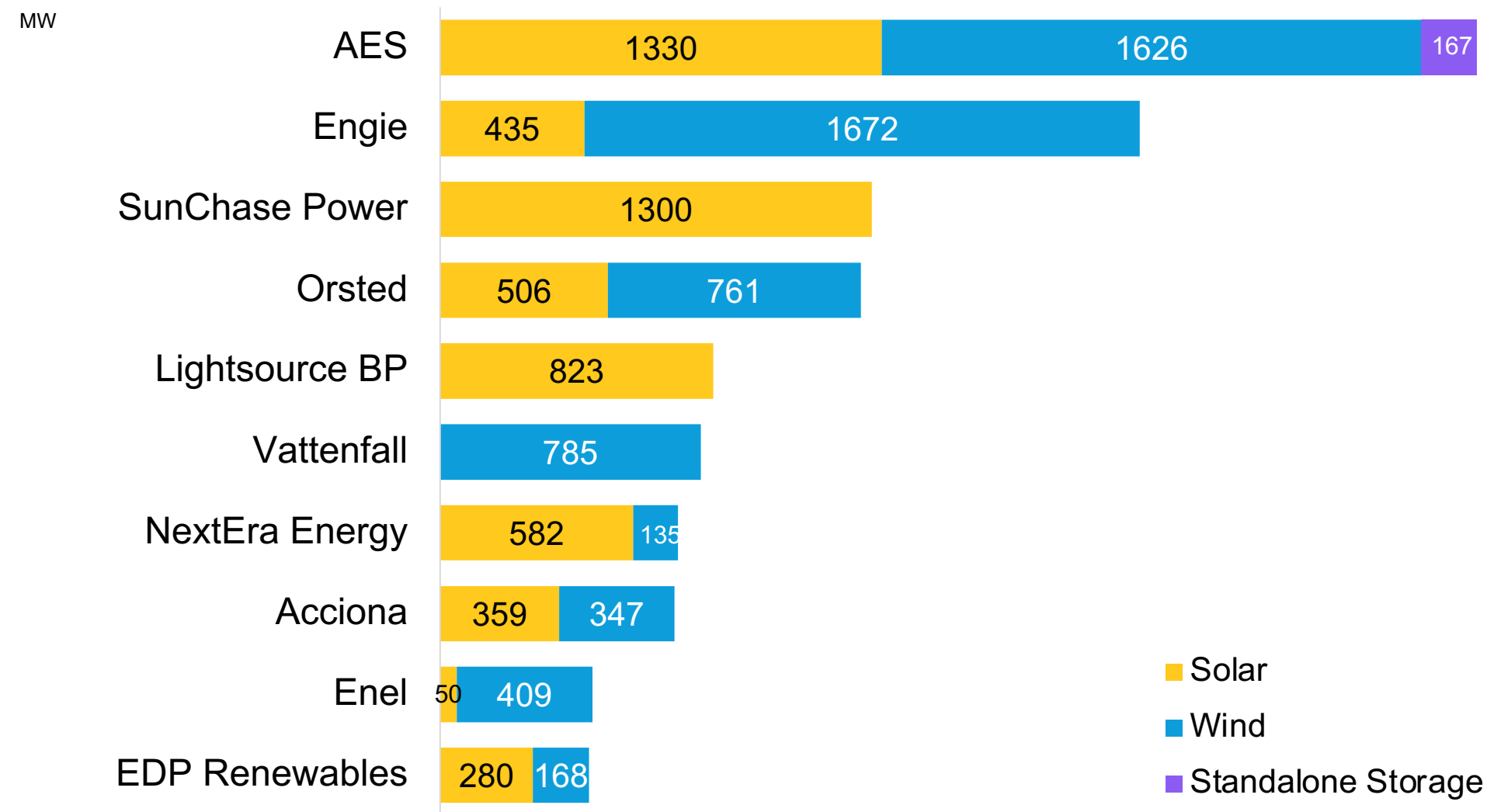
- 61 GW¹ pipeline (51 GW in the US; 10 GW Internationally)
- Differentiated team and capabilities
- Advantages of scale in supply chain and execution

1. Excludes 2.7 GW of gas in Vietnam.

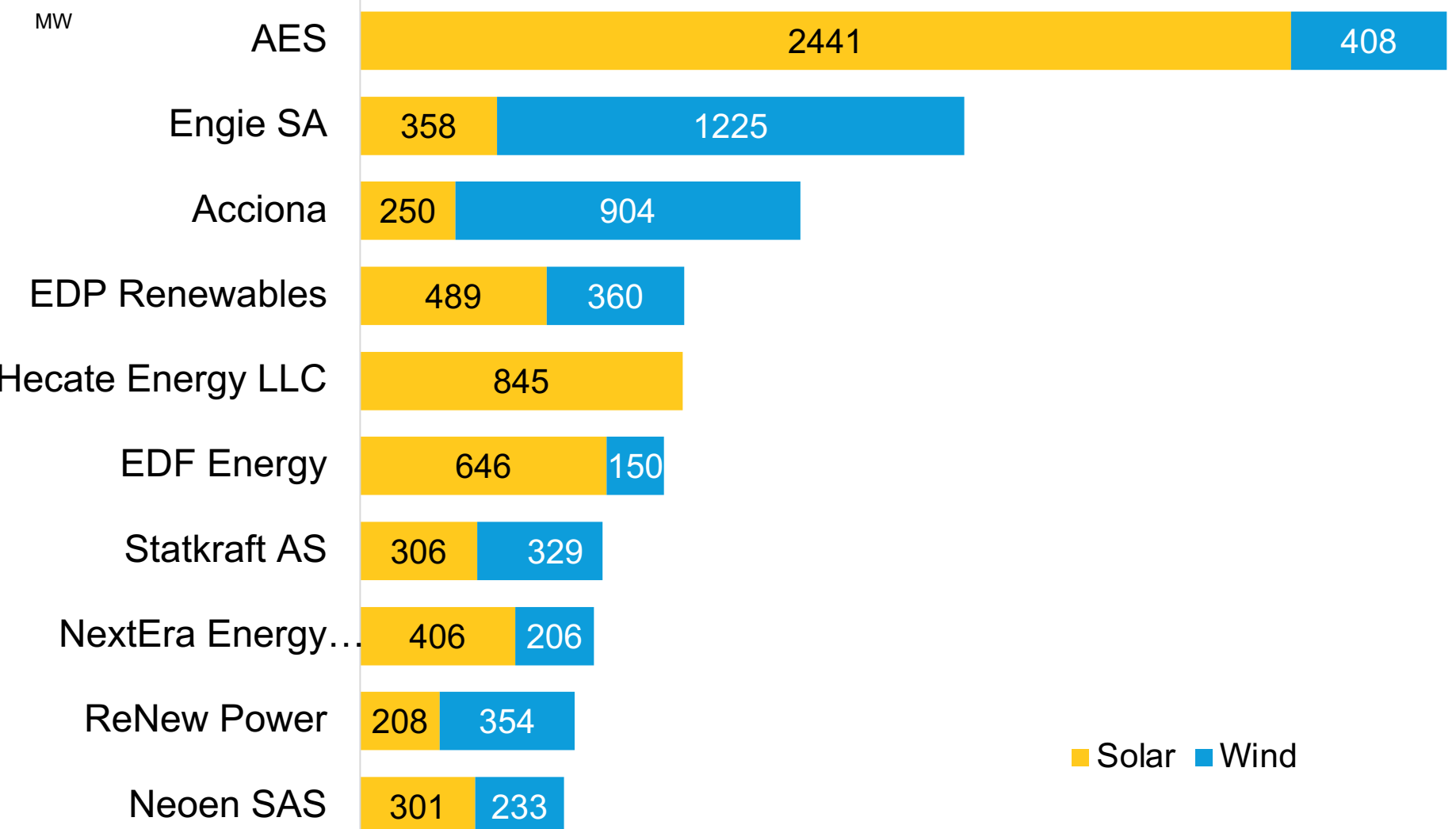
Customer Intimacy: Premier Seller of Renewables to Corporates

#1 Seller Globally of Clean Energy to Corporations Through PPAs in 2021 and 2022¹

2021 Top Developers Selling Clean Energy to Corporate Buyers



2022 Top Developers Selling Clean Energy to Corporate Buyers



We Partner with Corporates to Customize Solutions that Meet Specific Needs

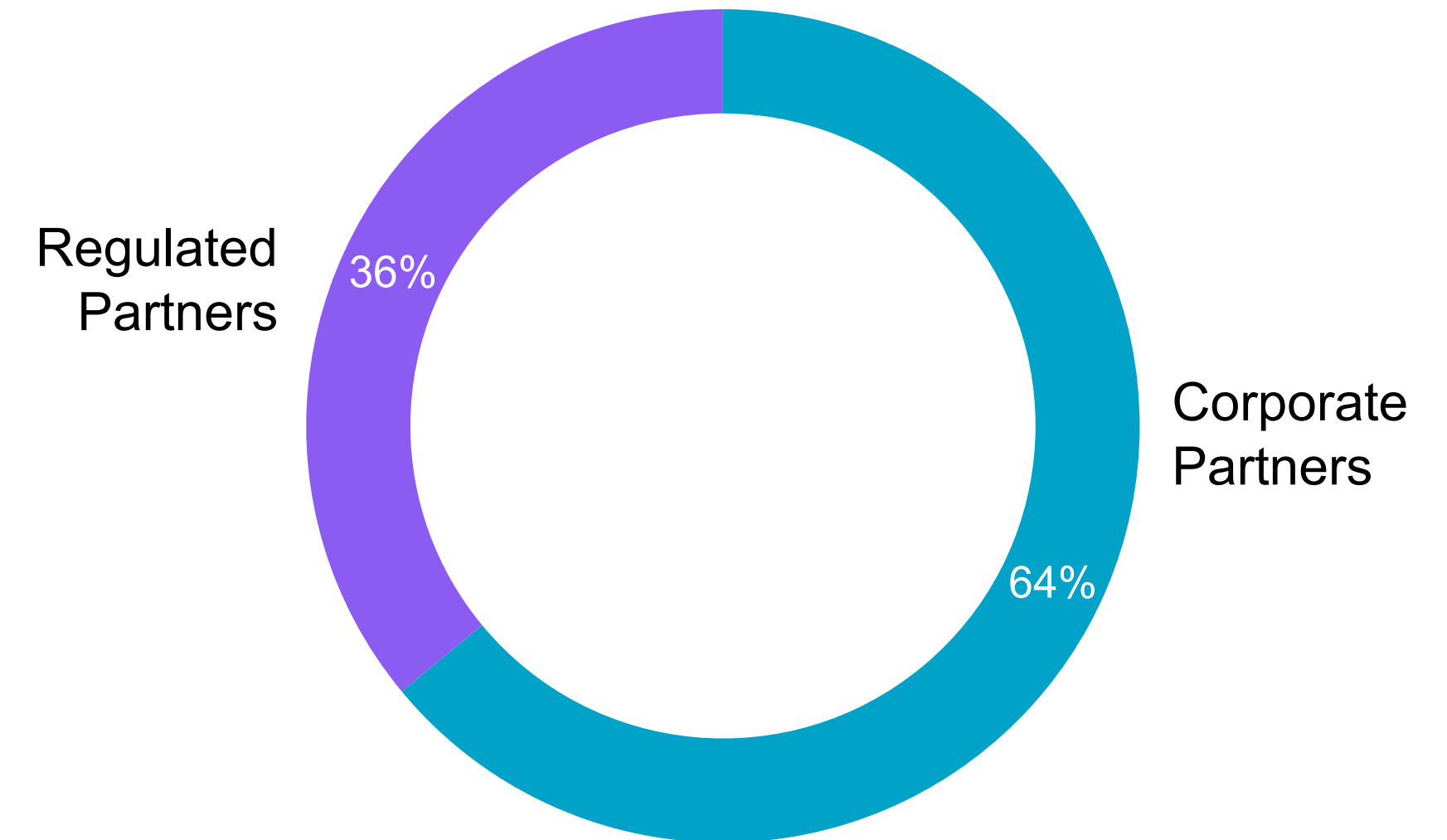
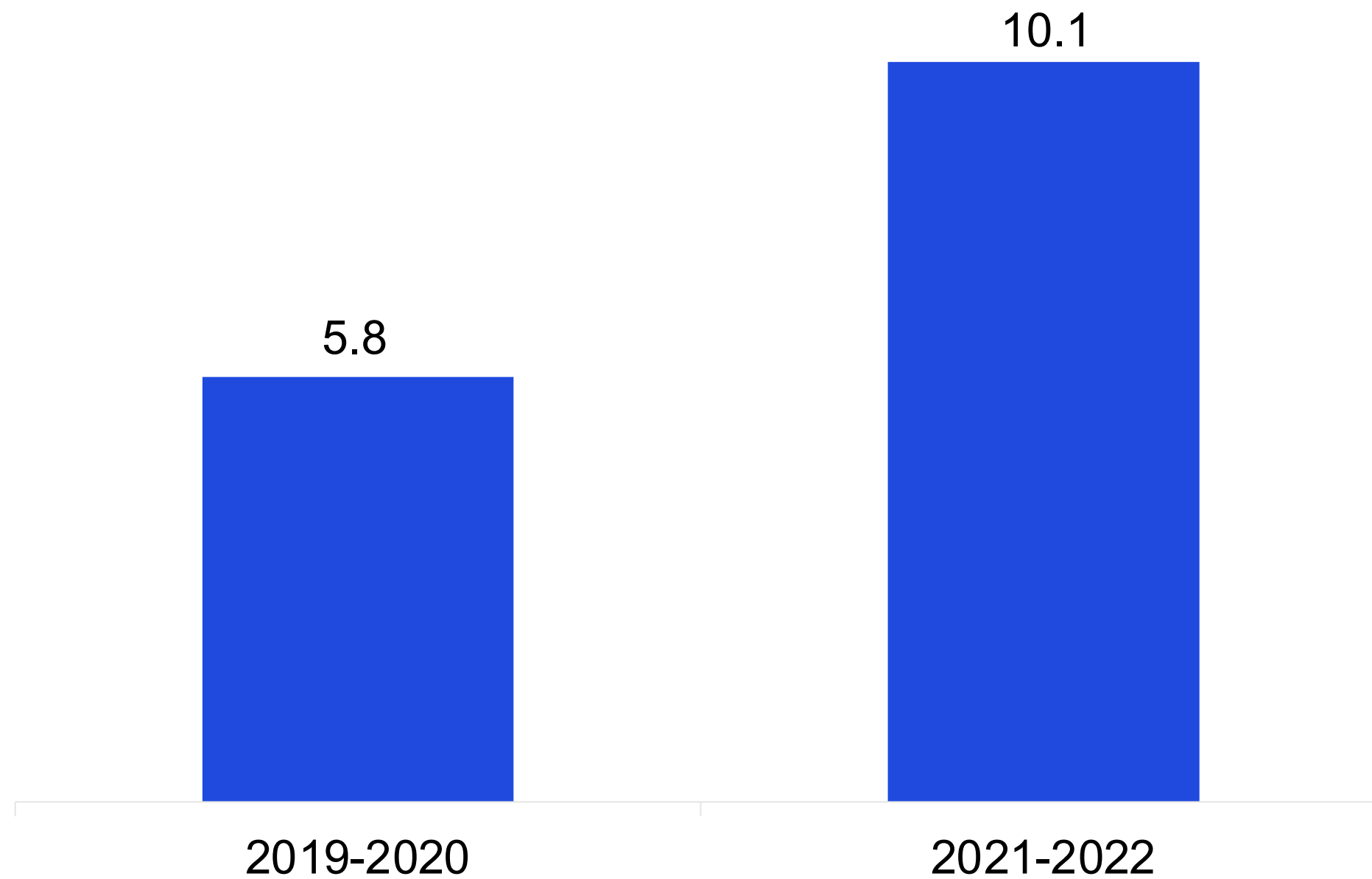
1. According to Bloomberg New Energy Finance.

Generating Growth with Unique Customer Insight and Relationships

Signed PPAs, Capacity in GW

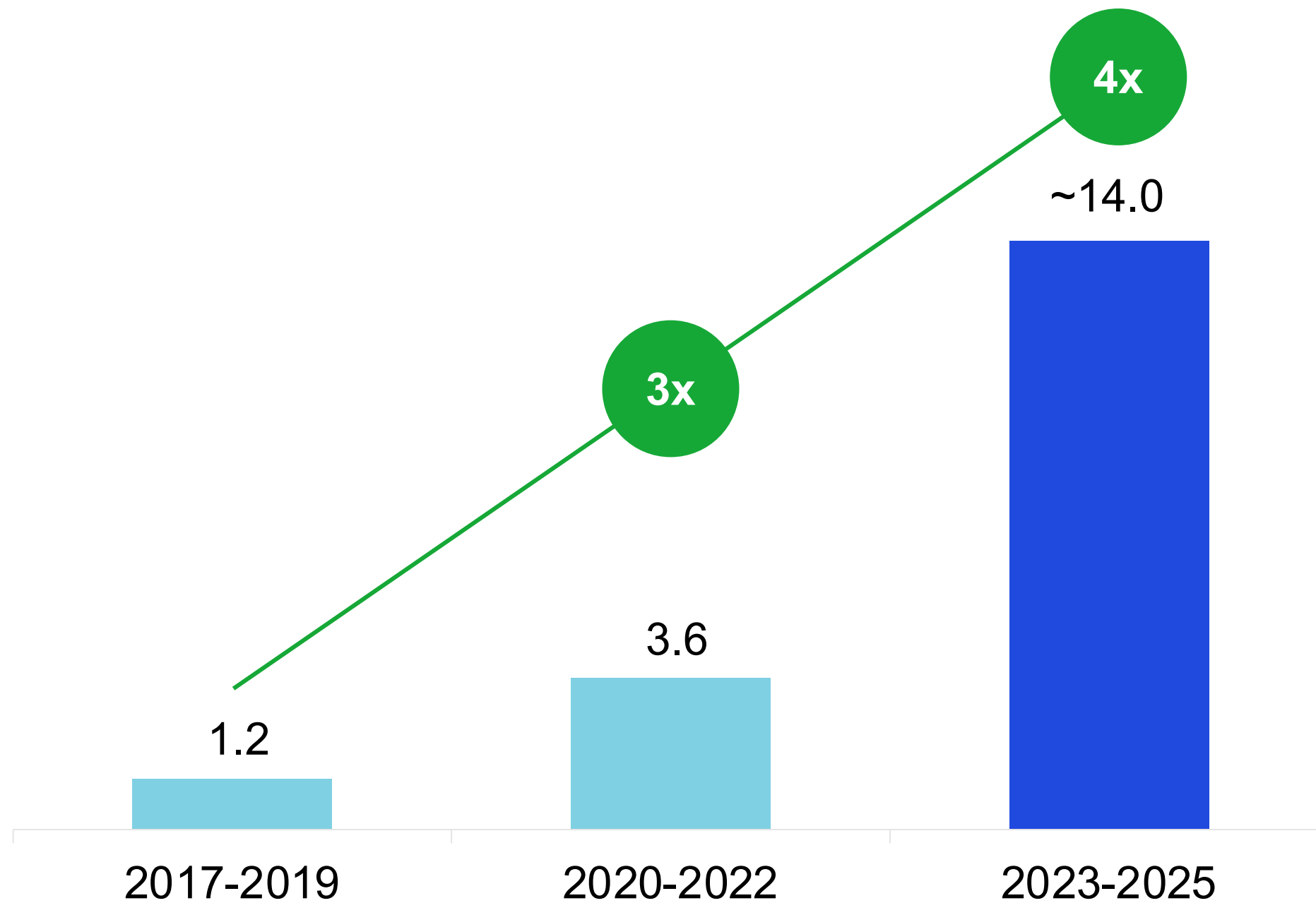
Customer Centric Strategy Established AES as Trusted & Preferred Solutions Provider

Focus on Corporate Partners, 2020-2022

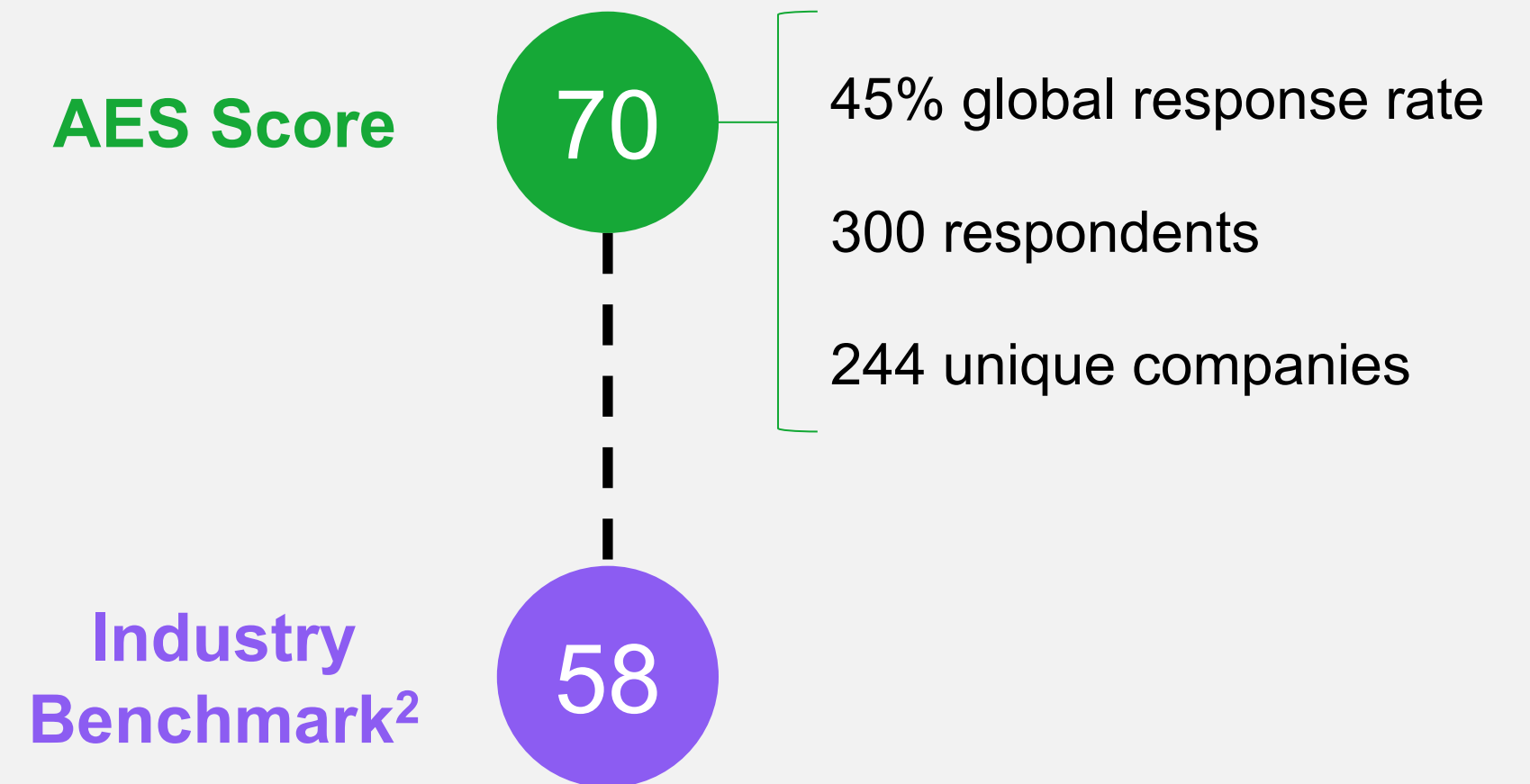


Differentiated Reputation in Execution with Customers

Renewables CODs¹ 2017-2025 (Capacity in GW)




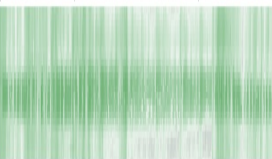


2022 Net Promoter Score Survey



1. Excludes projects added to the portfolio through acquisition.
 2. Power & Utilities Benchmark, 2022.

Our Innovative Solutions Give Us a Competitive Advantage

Examples of Customer Offerings and Customer Segments

Customer Offerings & Commercial Strategies		US Utilities	Big Tech	Mining	Other C&I
	Standard Renewables PPAs	✓	✓	✓	✓
	24/7 Carbon Free Energy		✓		
	Customized solutions		✓	✓	✓
	Green flexible capacity	✓			✓

AES Advantage: Creating Value with Customized Solutions

Single technology projects that can be contracted at market returns



Tailored solutions such as 24/7 carbon free energy that add significant value to customers



Premier Customers, Such as Data Centers

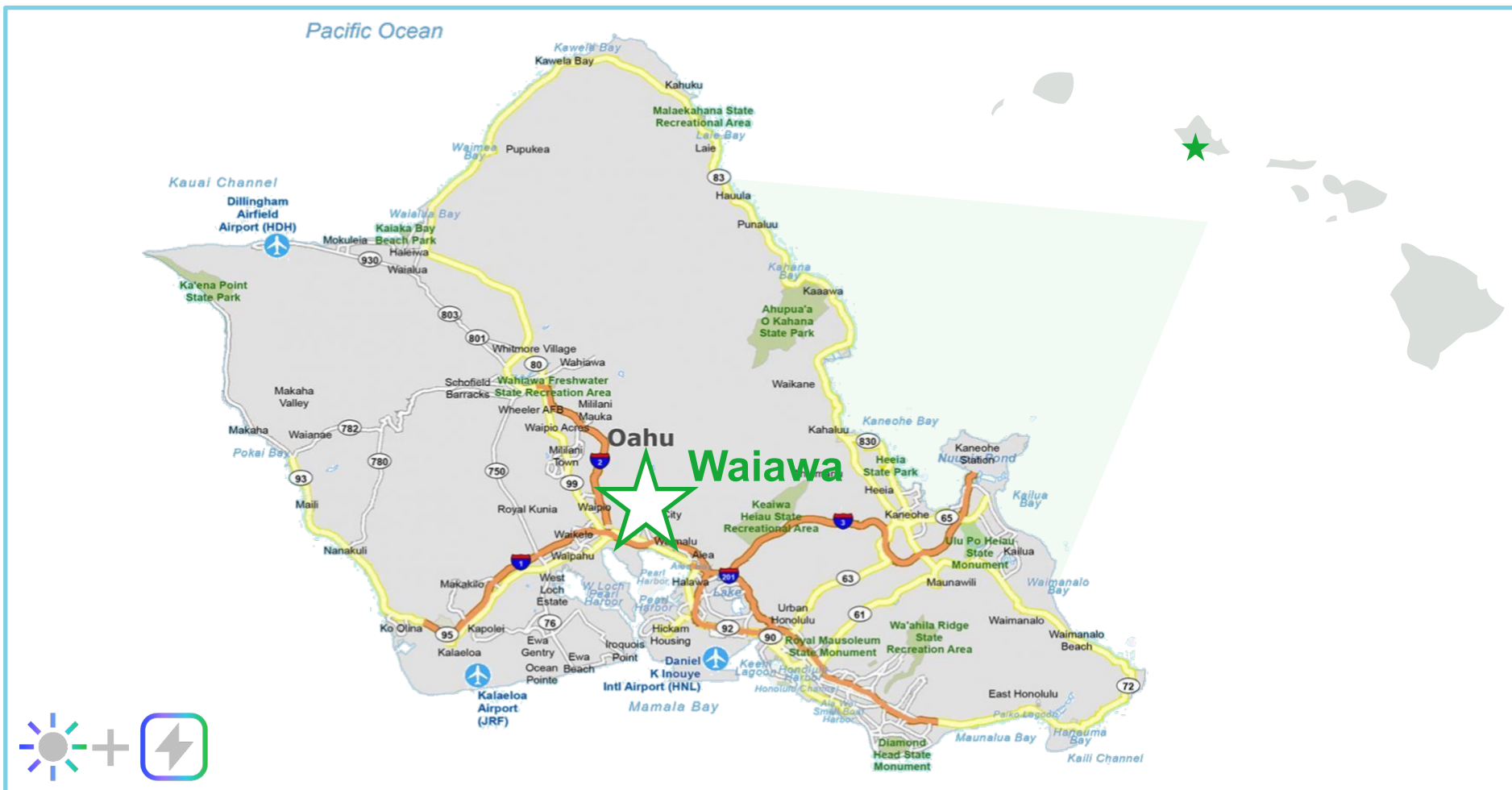
Commercial structuring and customer innovation adds more value: one single supply contract



AES Adds Unique Value by Aggregating Different Technologies into a High Value Solution

AES Advantage: Providing Unique Solutions for Green Flexible Capacity

Waiawa Project on Island of Oahu, Hawaii



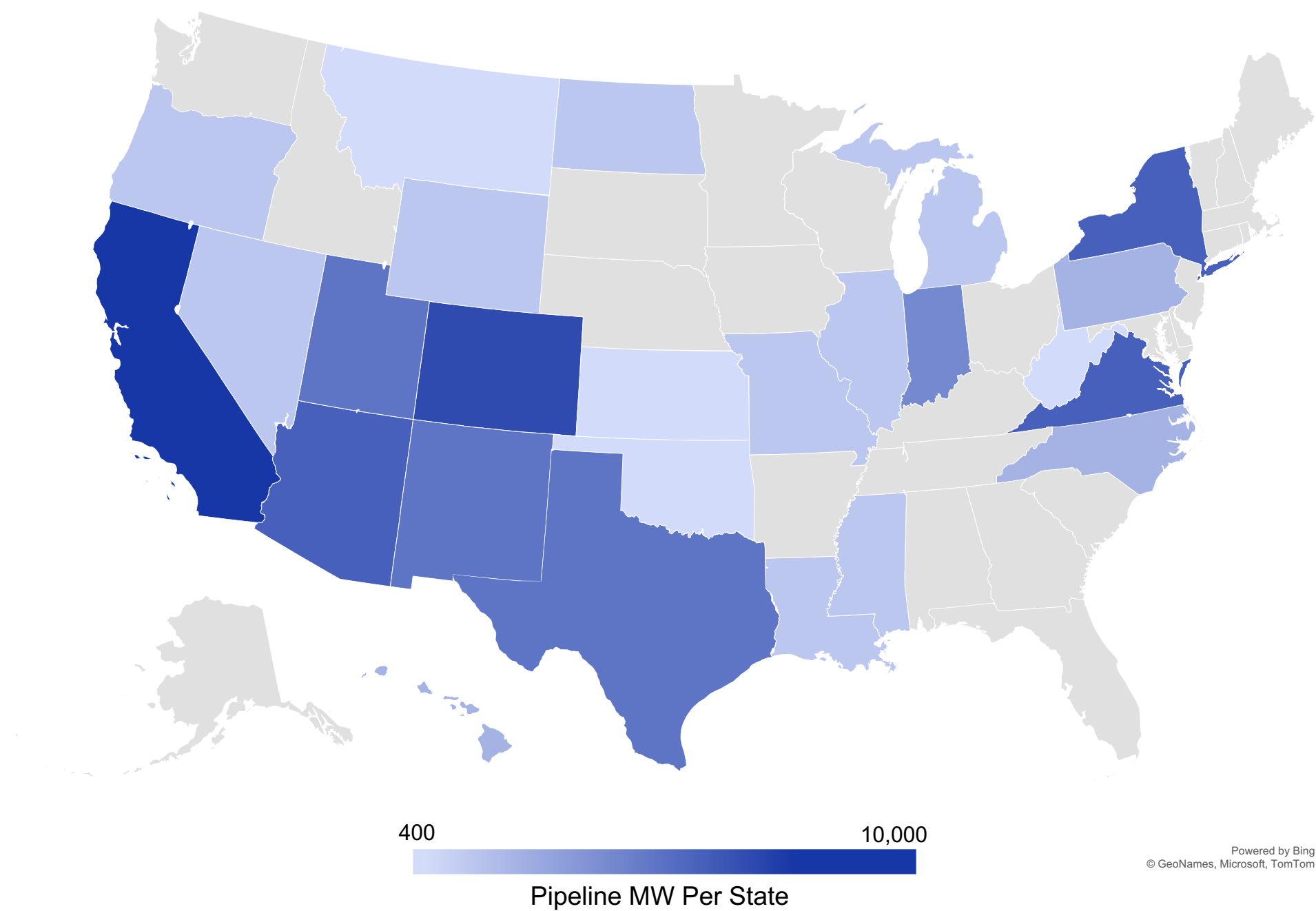
60 MWdc of Solar with 30 MW of 8-hour Energy Storage Contracted with HECO

How AES Created Value

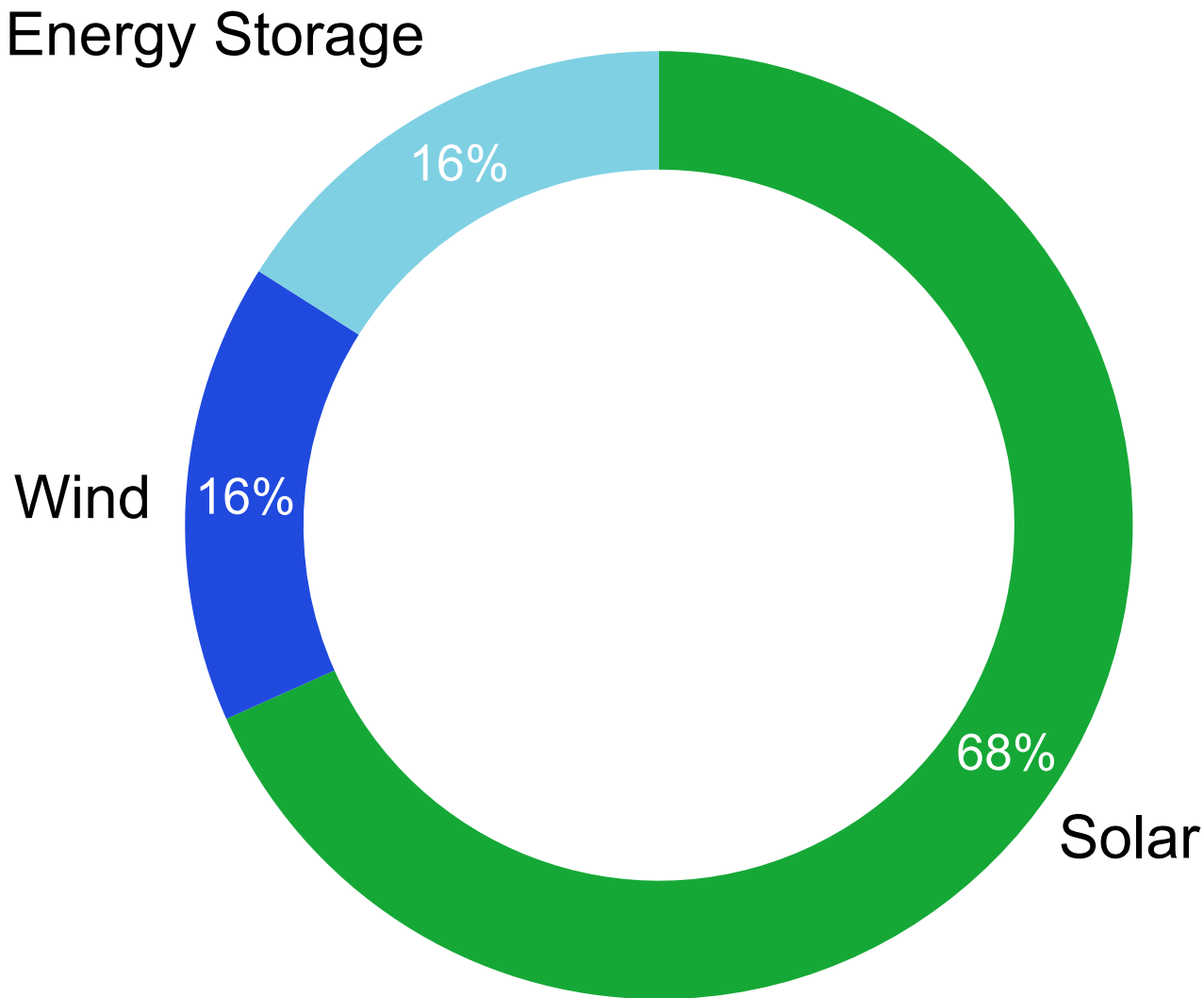
- Innovative design with a 2-to-1 DC to AC ratio, minimizing investment
- Very long energy storage with 8-hour battery providing capacity to the grid
- High DC ratio plus long storage optimizes solar output
- Provides unique outcomes to the customer, energy and capacity
- Innovative engineering creates more value than a conventional project

We Have a Sizable Project Footprint Within Strategic Areas of Focus

US Development Pipeline by State (51 GW)



Global Development Pipeline by Technology (61 GW¹)

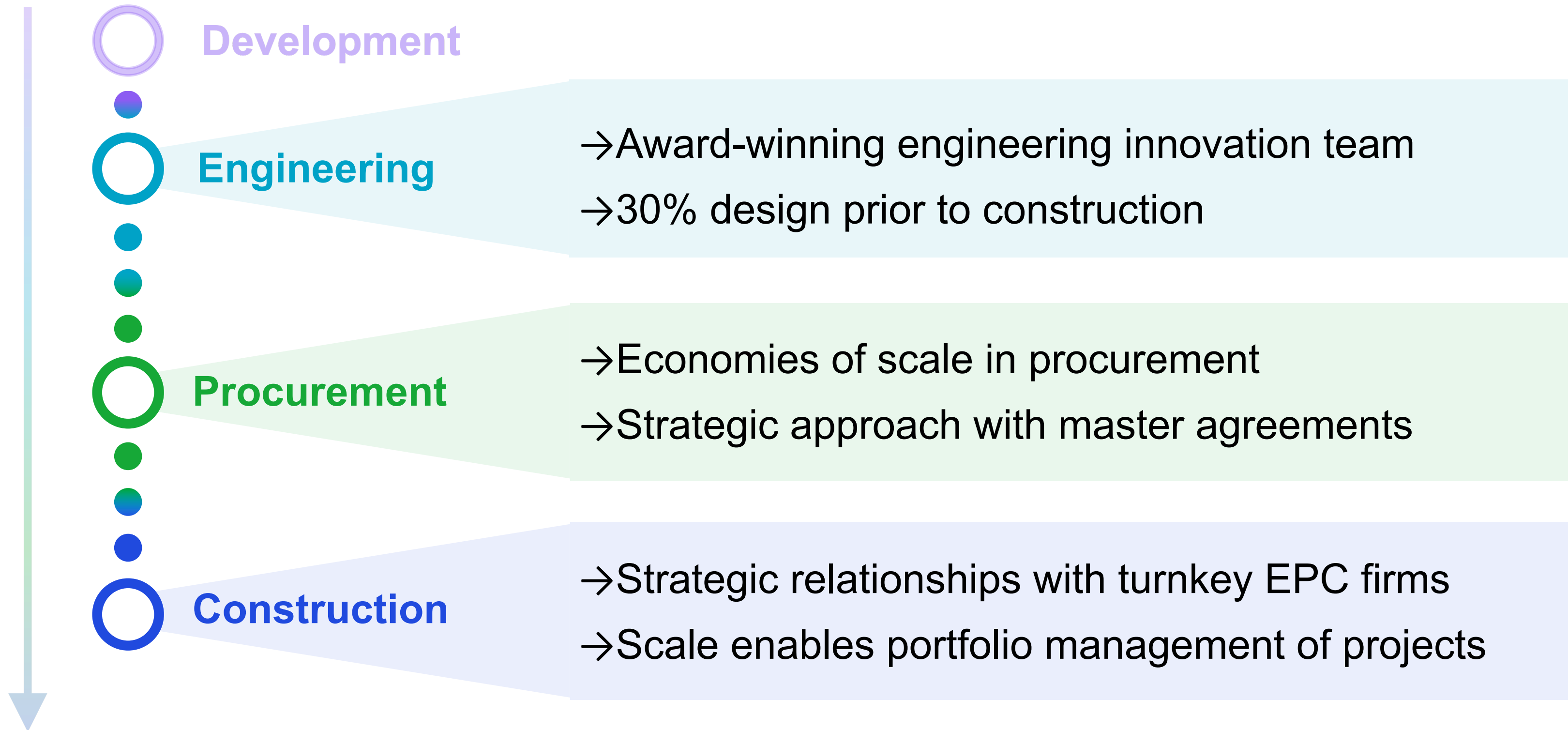


1. Excludes 2.7 GW of gas in Vietnam.

Differentiated Development Teams & Capabilities

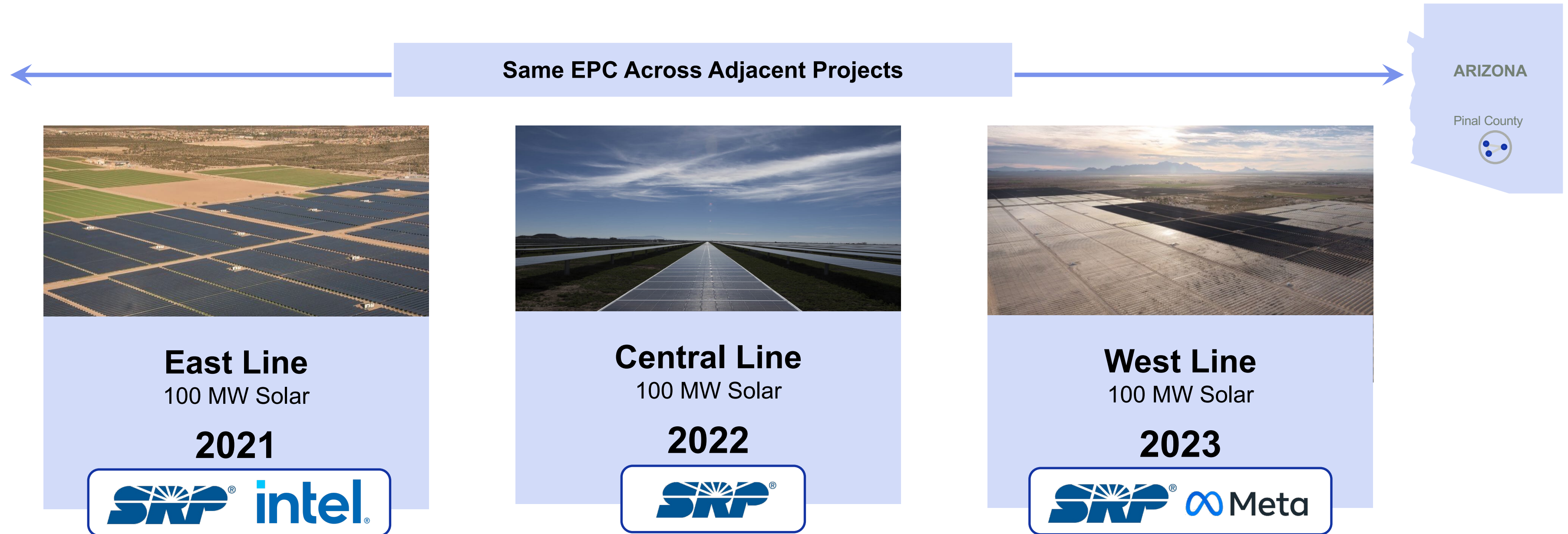


Differentiated Engineering, Procurement, Construction Team & Capabilities



Differentiated Capabilities: Leveraging Scale for Construction Efficiencies

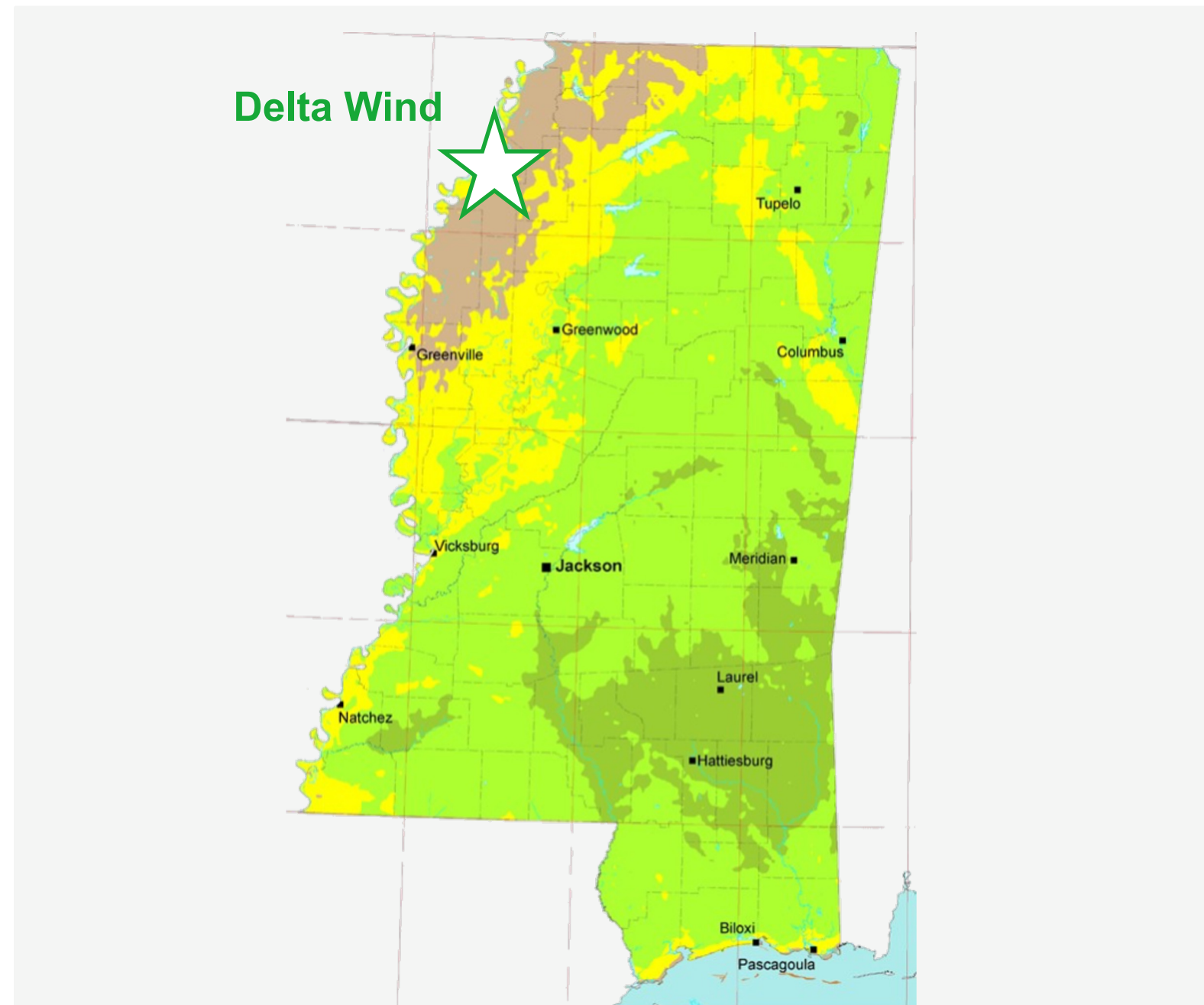
AES Scale Enables Efficient Processes, Ongoing Partnerships with EPCs & Lasting Relationships with Communities



One 300 MW Interconnection Position Allows for Multiple Projects Serving 33 Customers

Creating Value Through Acquisitions in Mississippi

Mississippi Map of Wind Speeds and Delta Wind Project



How AES Created Value

- Vestas owned the Delta Wind project, a 185 MW project in Mississippi
- Low wind speeds compared to the MISO region enabled by new turbine technology
- AES acquired project from Vestas, advanced relationship with customer, and created value for all involved parties
- AES completed development and achieved NTP¹ in 6 months post-acquisition

1. Notice to Proceed.

Advantages of Scale in Supply Chain and Execution

Strategic Alliances



Long term relationships
rather than one-off
transactions

Global Scale



Allows us to procure large
contracts with attractive
terms

Onshoring



Creating a market for
domestic content

AES Advantage Examples

- Strategic partnership with EPC firms that can build multiple projects within AES portfolio
- Certainty of volume for suppliers and EPC partners provide more attractive pricing and terms for AES

- Large scale procurement for key equipment allows for better pricing and terms
- Standardization with suppliers allows us to scale and execute quicker on AES pipeline

- Early mover in launching an RFP for domestic content
- Building opportunities with suppliers to make investment decisions based on AES contracts and pipeline

Advantages of Scale in Procurement

Market Approach



69 MW
Average Project Size in the US¹

Most developers procure equipment for each individual project, resulting in one-off transactions with suppliers and unfavorable terms

AES Approach



500-1,000 MW
Large Scale Module Procurement

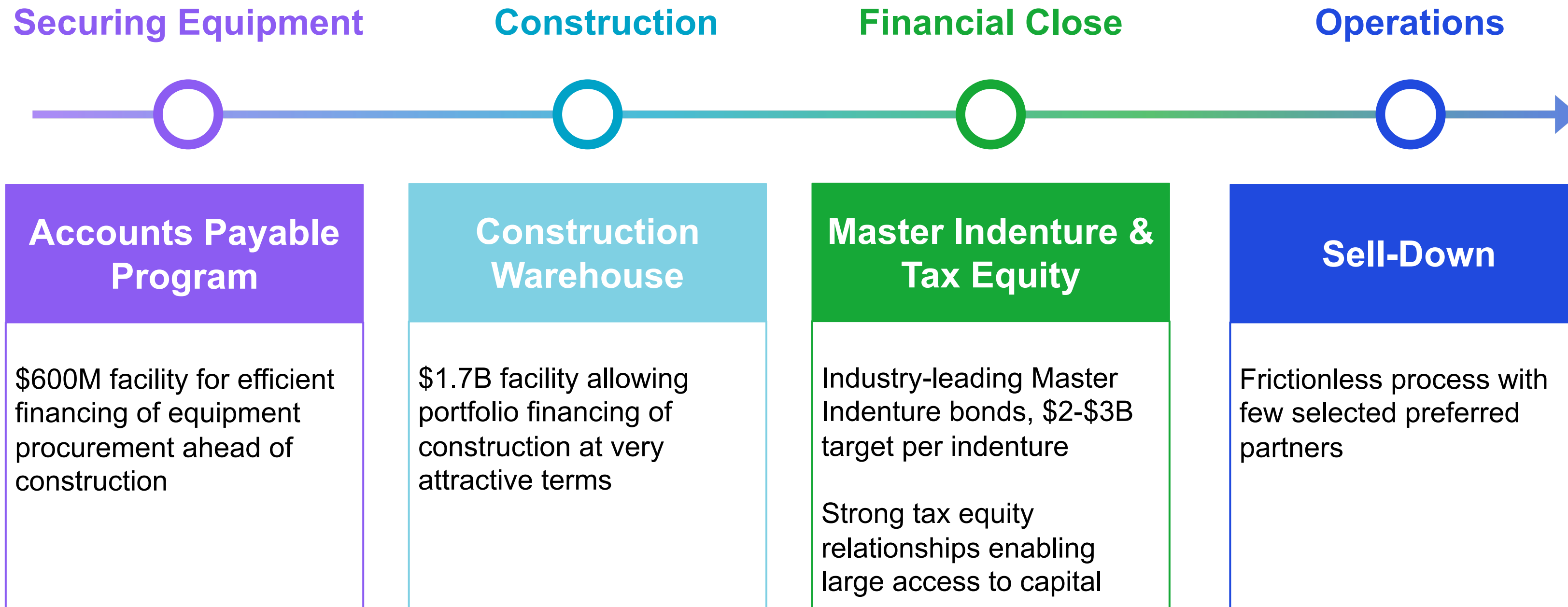
AES can procure equipment as a global portfolio, giving it a significant advantage in price, terms and priority relative to market competitors

1. EIA: Average Utility-Scale Solar Project.

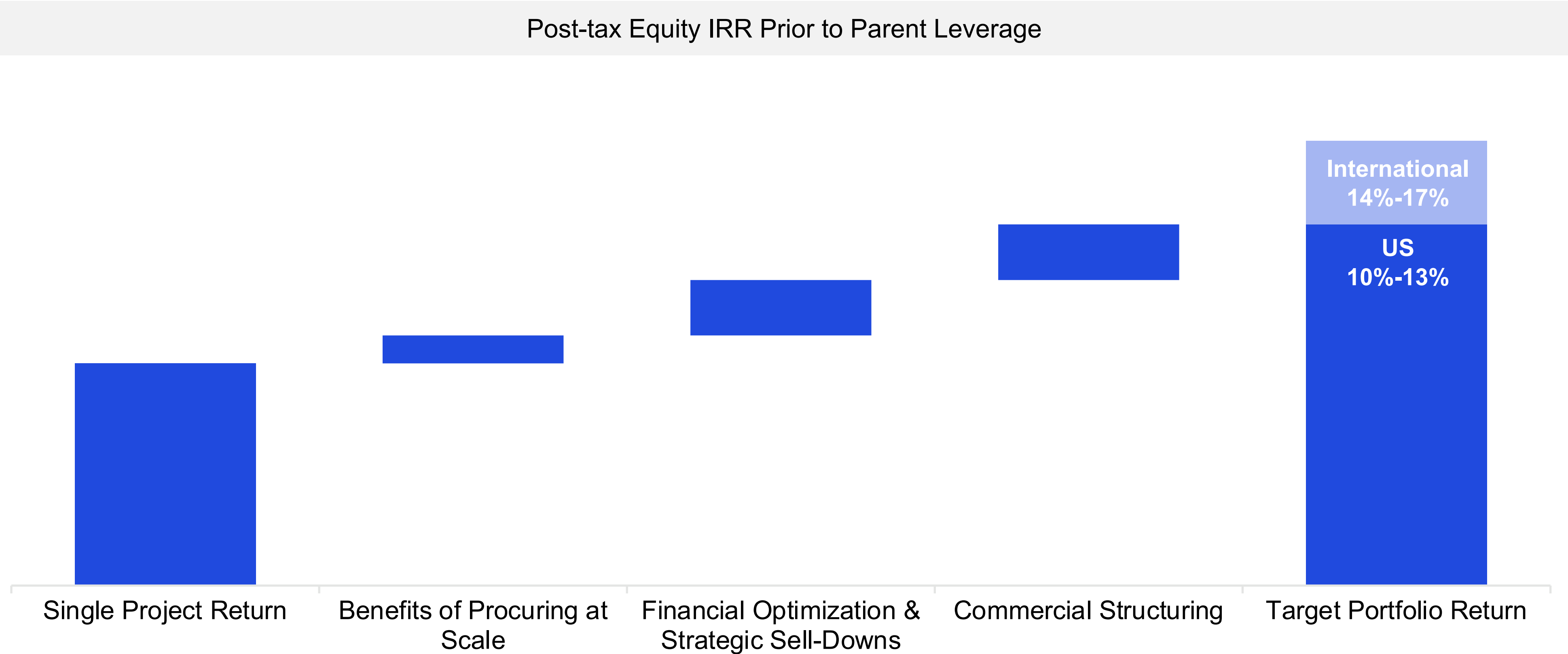
Advantages of Scale in Capital Structure

AES has Developed Unique Financing Optimization Structures to Create Incremental Value

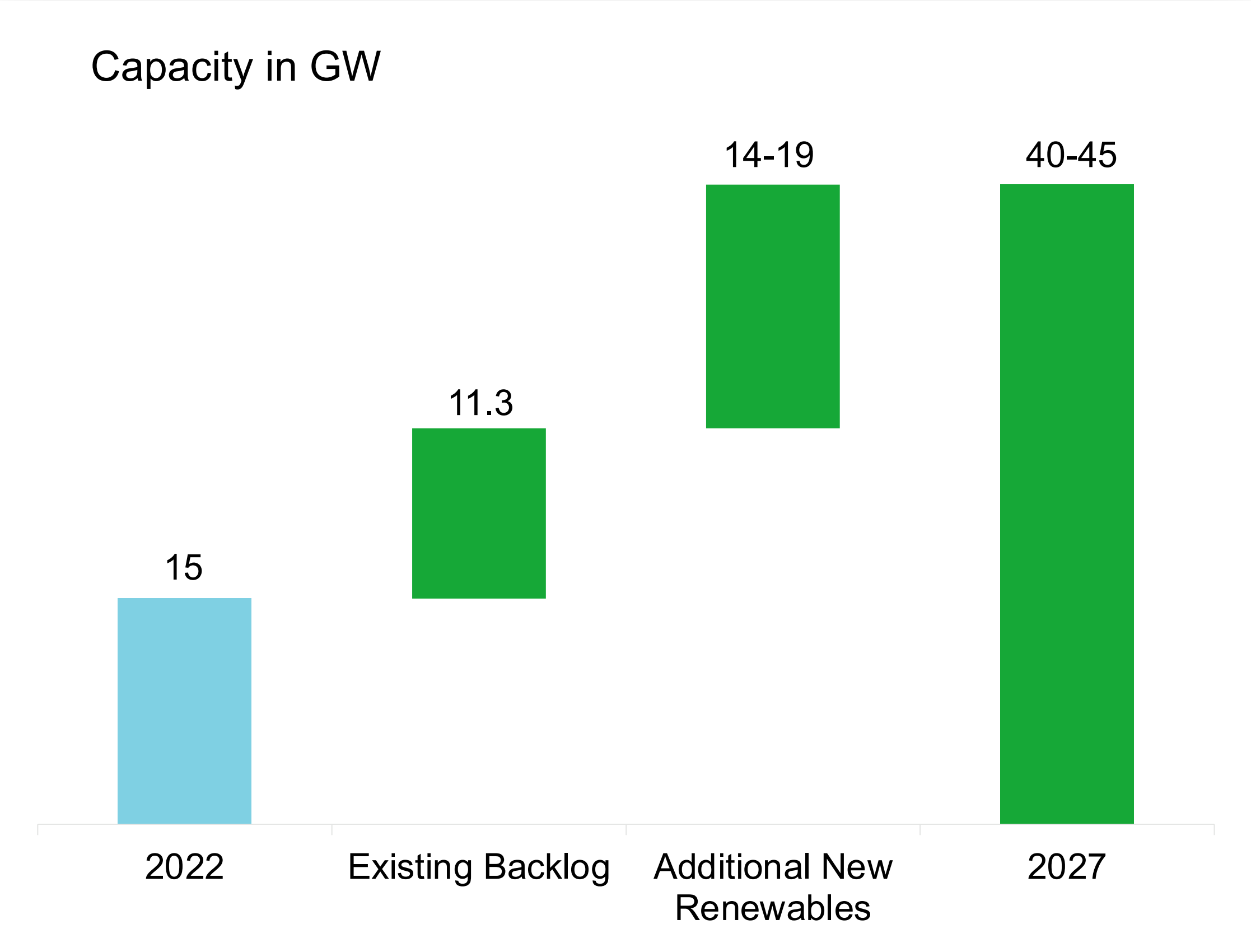
Stages of Our Projects



Competitive Advantages Creating Attractive Returns



Tripling Renewables by 2027



Key Takeaways

- **Attractive growth business line, long-term contracted, dollar denominated**, investments focused on the US and high-quality customers
- **IRA providing significant market upside** and AES well-positioned to capitalize and create value
- **AES has unique competitive advantages** around customer insight and relationships, differentiated solutions, and advantages of scale for execution
- **Expect to reach 40-45 GW by 2027** with attractive returns



Energy Infrastructure

Juan Ignacio Rubiolo | EVP and
President, Energy Infrastructure



Strategic Focus for Energy Infrastructure SBU

Provide Energy Security to Enable Integration of New Renewables

Maximize Value of Gas Generation & LNG Businesses through Flexible Operations that Support the Energy Transition

Exit Coal Generation to Achieve Decarbonization Targets, with a Focus on Monetizing and Creating Future Optionality

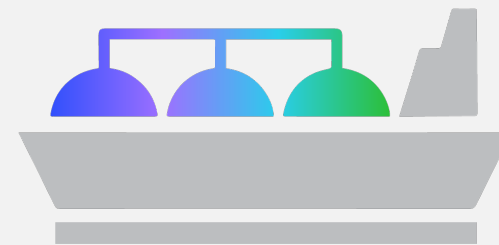
Overview of Our Energy Infrastructure SBU

Highly Contracted Gas Generation¹



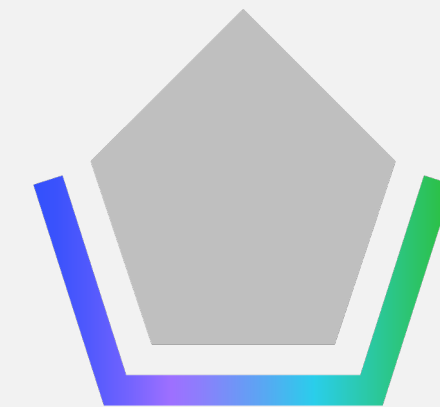
- 8.4 GW
- ~50% in the US
- Reliable capacity resources

Market Leading LNG Infrastructure²



- Largest importer of LNG in Gulf of Mexico
- LNG Storage: 460,000 m³
- Regas capacity: 225 MMSCFD
- Handling up to 200 TBTU/year

Intent to Exit Coal³



- 7.1 GW
- Intent to exit by year-end 2025³
- Expect to repurpose sites and infrastructure for future growth

1. Includes 670 MW under construction and expected to be completed in 2H 2024. Excludes 1.9 GW of gas generation at AES Indiana.

2. Includes 120,000 m3 under construction and expected to be completed in 2H 2023.

3. While maintaining reliability and affordability, and subject to necessary approvals. Includes 550 MW of pet coke.

Gas Generation & LNG Infrastructure Provide Steady Earnings and Cash Flow

→ Gas generation

- PPAs adjusted for commodities and CPI
- Potential for life extensions and/or eventual conversions creates future value



→ LNG infrastructure

- >80% capacity sold through long-term contracts
- 100% of LNG revenues in US Dollars
- Tolling structures mean no commodity risk



AES Southland Accounts for ~45% of Gas Generation Portfolio and is Critical to Reliability in Southern California

→ 1.4 GW Southland Energy

- Completed in 2020
- 20-year PPAs with Southern California Edison
- Includes 100 MW of energy storage



→ Legacy Southland units

- 2020: 2.3 GW extended through 2023
- 2023: retirement of 876 MW Redondo Beach
- 2023: 1.4 GW extension through 2026¹



1. Approval expected in 2H 2023.

Largest LNG Infrastructure Owner in Central America & the Caribbean



2 Land-Based Terminals



3 Storage Tanks
(460,000 m³)



+2,500 MW Supplied
(AES+Third Parties)



+90 km of Pipelines

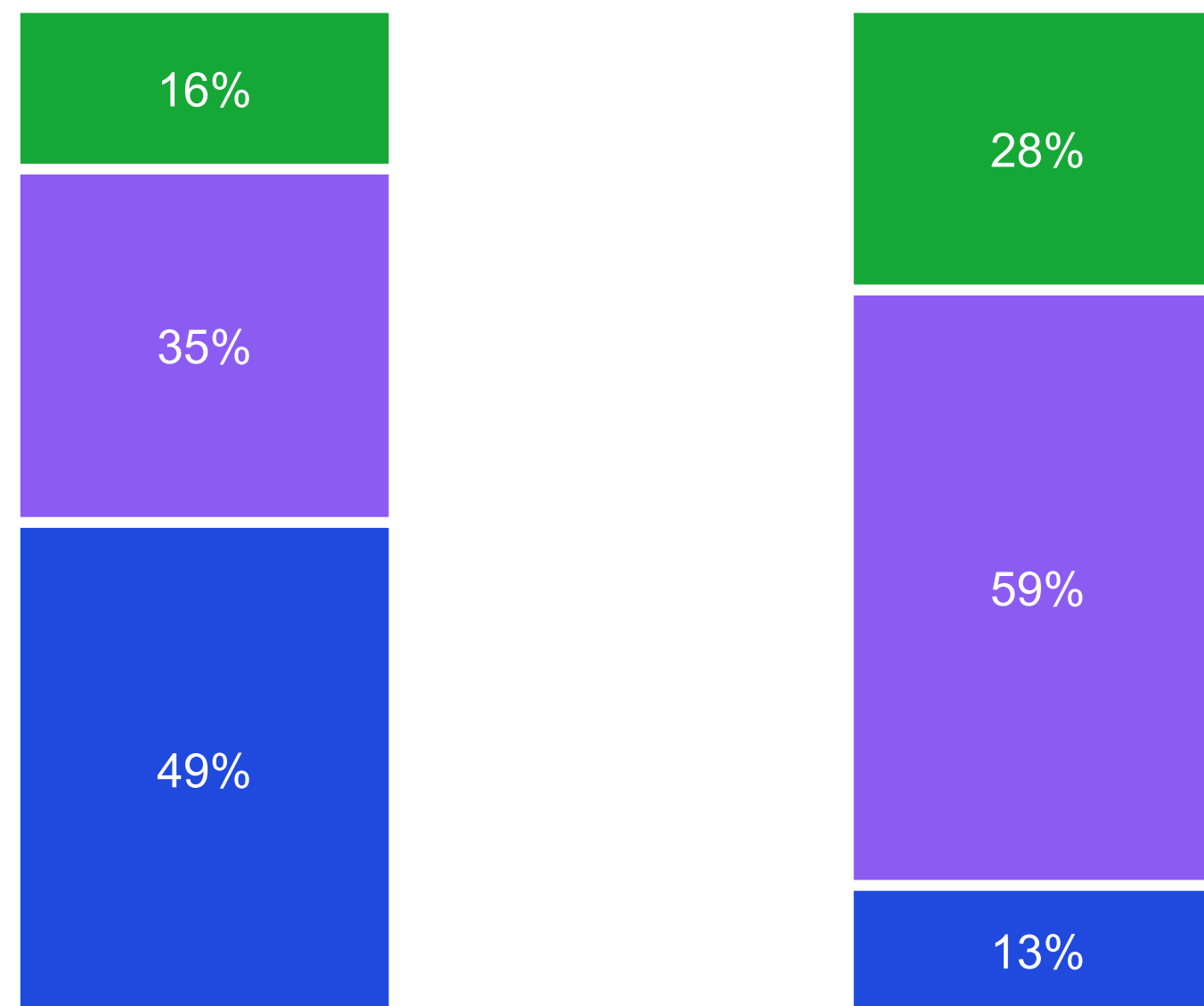


3 Truck Loading Terminals

LNG Infrastructure has Displaced Coal & Fuel Oil, and Enabled the Expansion of Renewables

% of Generation in GWh

Dominican Republic (Total Market)¹

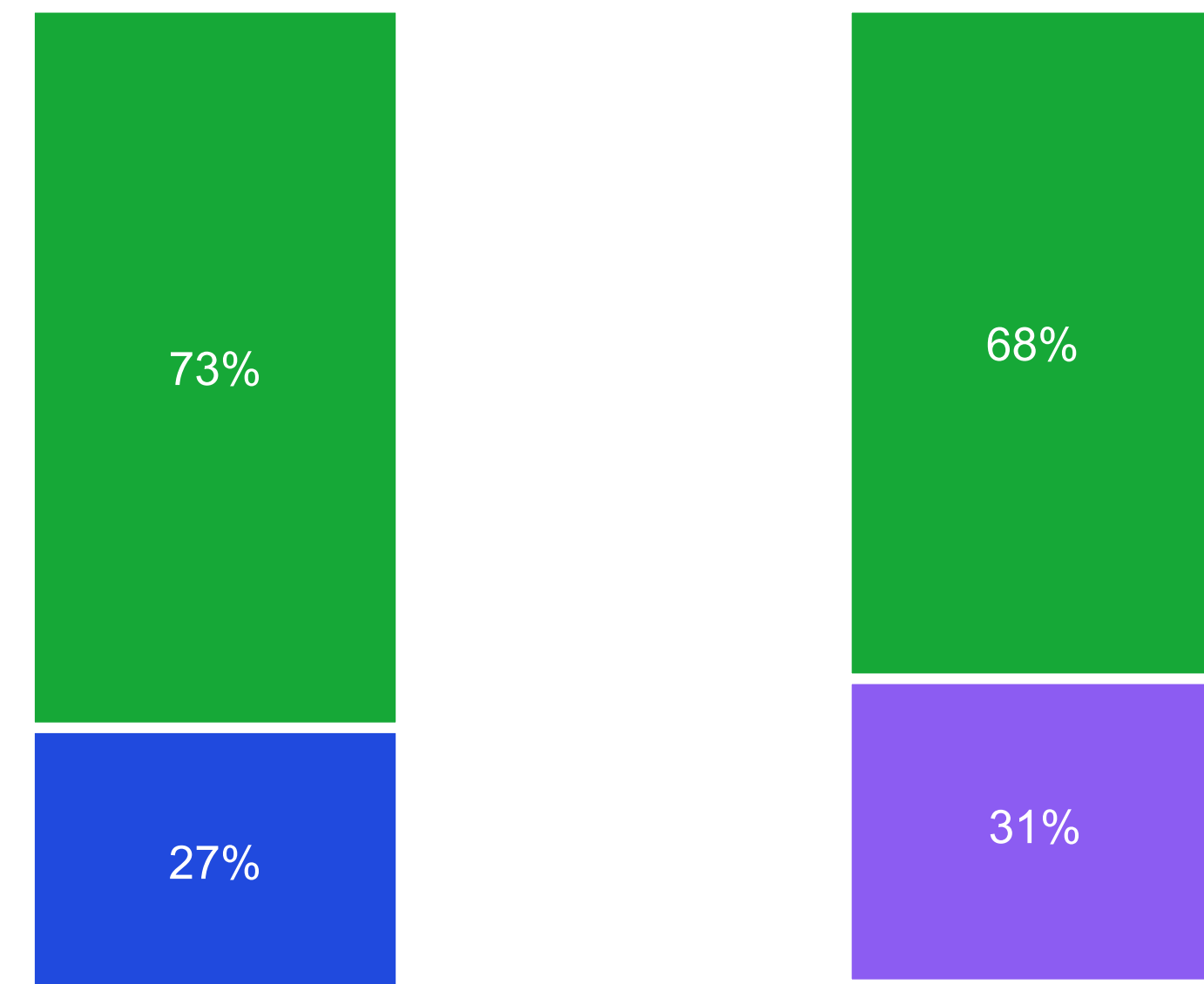


2017

2027

■ Coal & Fuel Oil ■ Gas ■ Renewables

Panama (Total Market)²



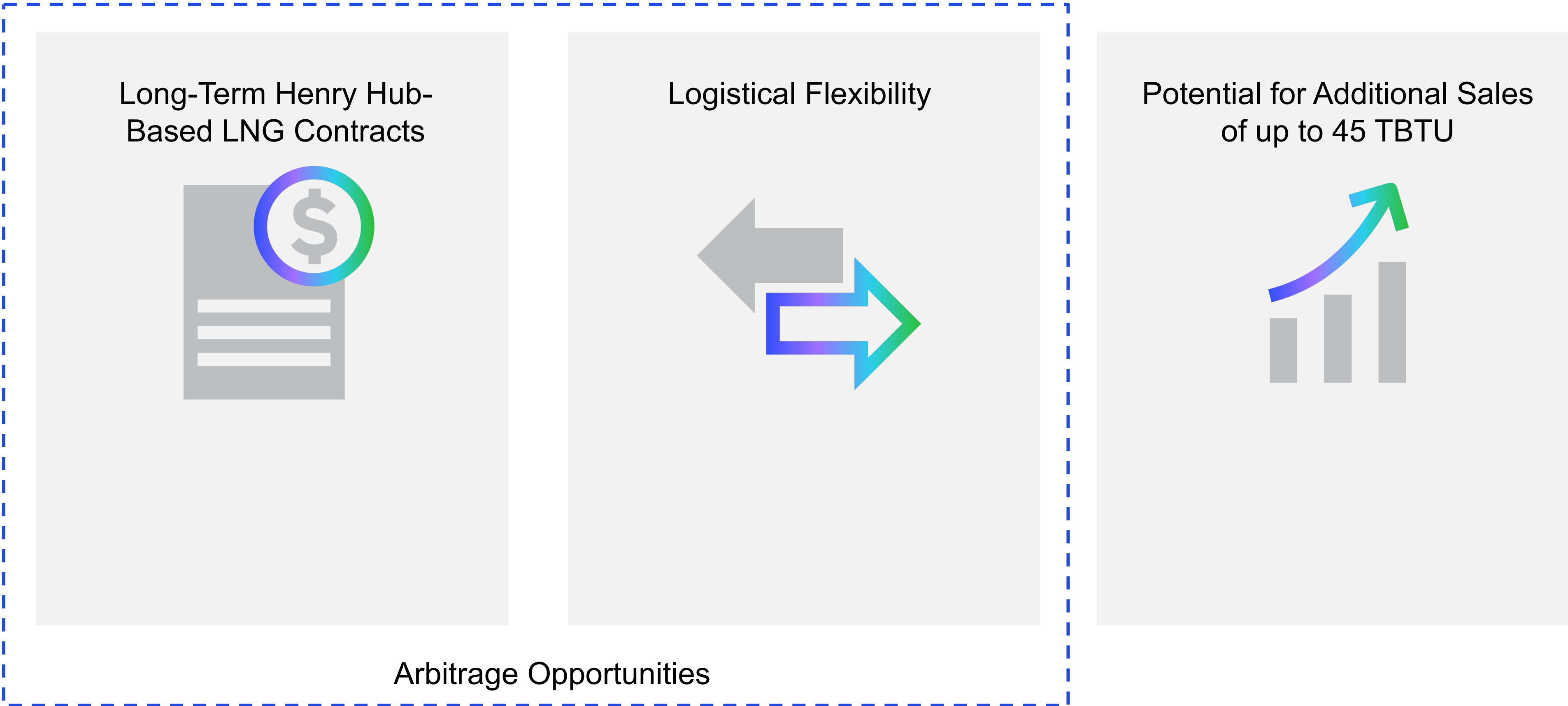
2017

2027

■ Coal & Fuel Oil ■ Gas ■ Renewables

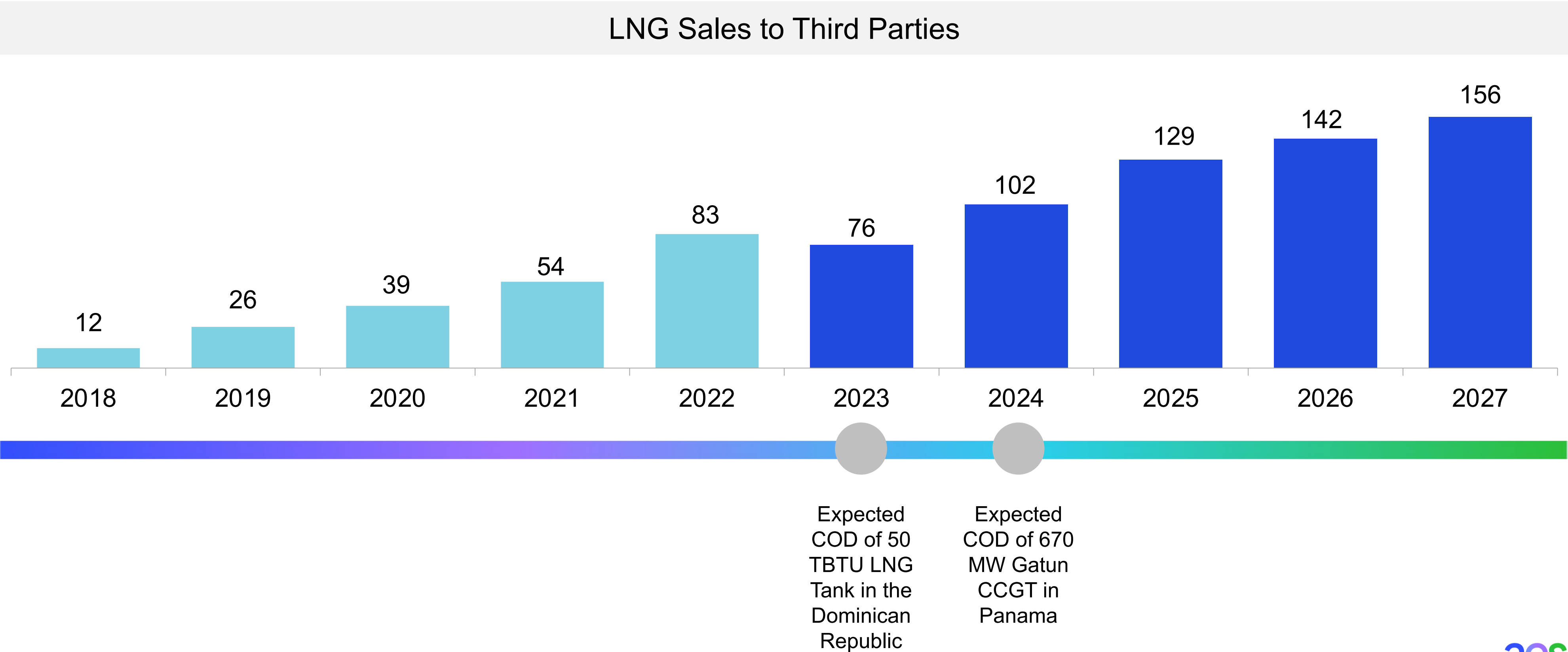
1. Source: Historical data (2017) from the Organismo Coordinador del Sistema Electrico Interconectado. Forward-looking data (2027) from internal analysis based on available market information.
 2. Source: Historical data (2017) from the Centro Nacional de Despacho (CND). Forward-looking data (2027) from internal analysis based on available market information.

Existing LNG Infrastructure Provides Significant Option Value



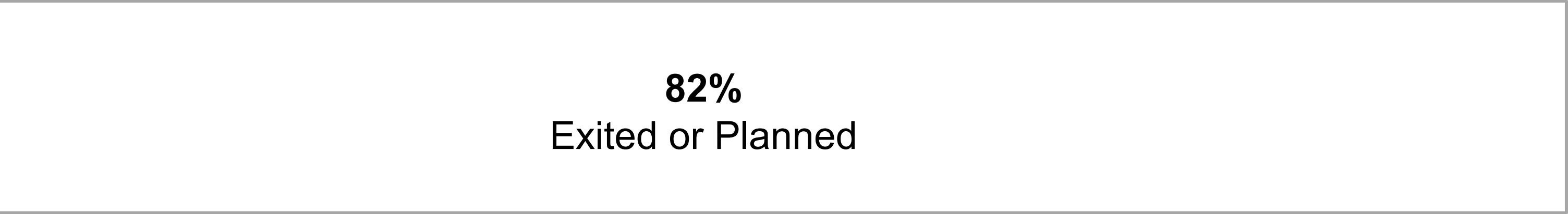
Steady Growth in LNG Sales to Third Parties

TBTU



Steadily Reducing Coal Capacity, with Intent to Fully Exit by Year-End 2025¹

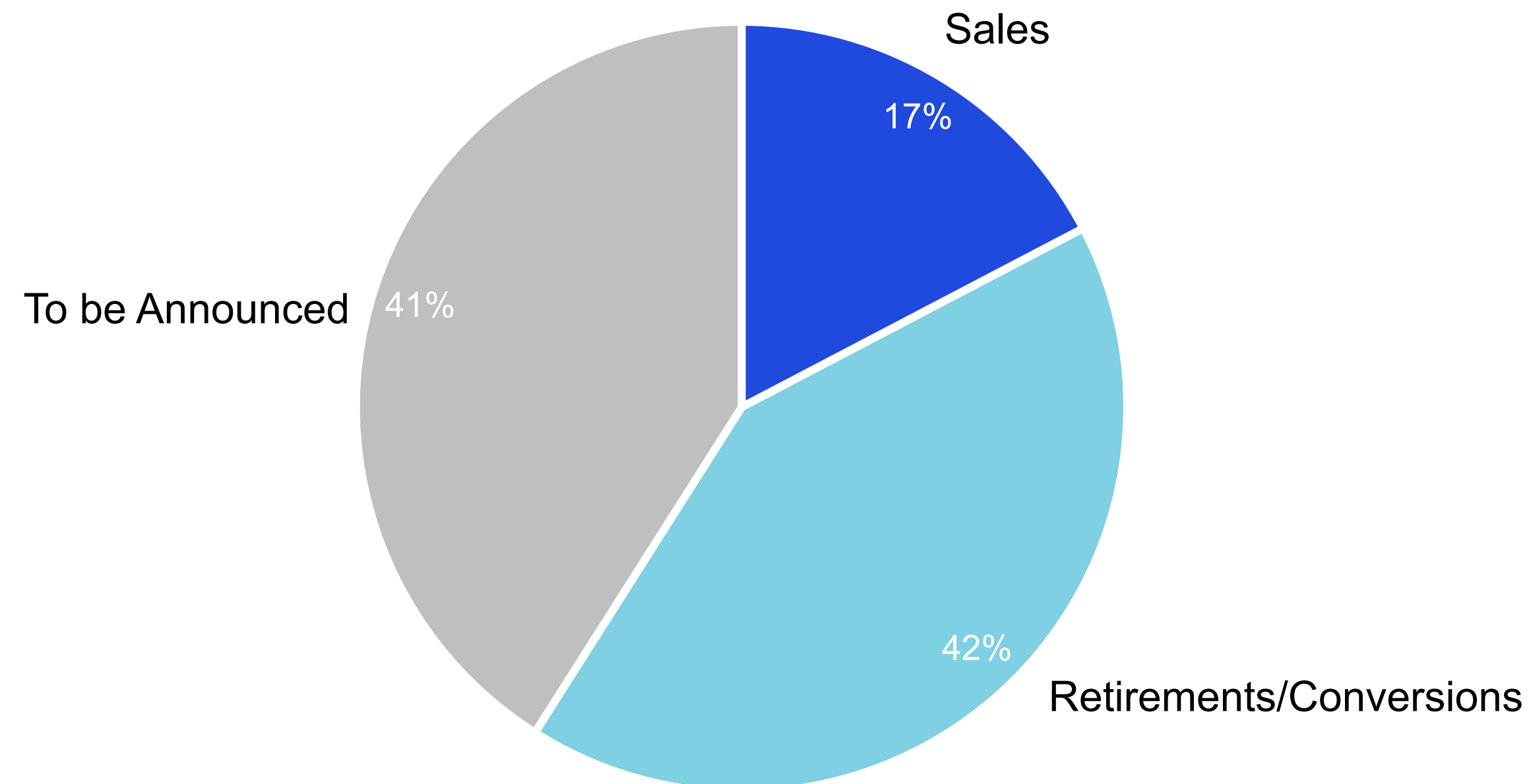
Capacity in GW



1. While maintaining reliability and affordability, and subject to necessary approvals..

Intent to Exit 7.1 GW¹ of Remaining Coal² by Year-End 2025

Capacity in MW



Expect <30% of Generation from Coal in 2023/2024

1. Includes 550 MW of pet coke and 1.5 GW of coal at AES Indiana.
2. While maintaining reliability and affordability, and subject to necessary approvals.

Creating Value Through Coal Exit

- Monetizing existing PPA value, while accelerating decarbonization (Warrior Run PPA)
- Potential to capitalize on existing infrastructure to repurpose coal sites
 - Green hydrogen/energy storage
 - Biomass/molten salt
 - Focus on greening our dispatchable capacity



Key Takeaways

- Maximizing value of AES' assets during the energy transition:
 - Enable renewables growth by providing critical flexible capacity
 - Create value through optimization of gas and LNG infrastructure
- Complete exit from coal by 2025¹
 - PPA monetization
 - Option value through repurposing sites



1. While maintaining reliability and affordability, and subject to necessary approvals.

Utilities

Kristina Lund | President, Utilities



AES Utilities: Leading the Inclusive, Clean Energy Transition



Customers



Smart Grid



Sustainability



Workforce of the
Future

Facilitate Economic & Community Development

Our Path to Become a Premium US Utility Platform

Growth Enablers

- Macro trends
- Constructive regulatory frameworks
- Aging infrastructure/fleet transition
- Considerable rate headroom

Investment Opportunities

- \$5 billion investment plan 2023-2027
- 10% rate base CAGR through 2027



Value Creation

- 17%-20% average annual growth in Adjusted PTC¹ through 2027
- Improved cash flow metrics and credit quality
- Disciplined cost management

1. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted PTC guidance without unreasonable effort. See Appendix for definition and a description of the adjustments to reconcile Adjusted PTC to income from continuing operations attributable to The AES Corporation.

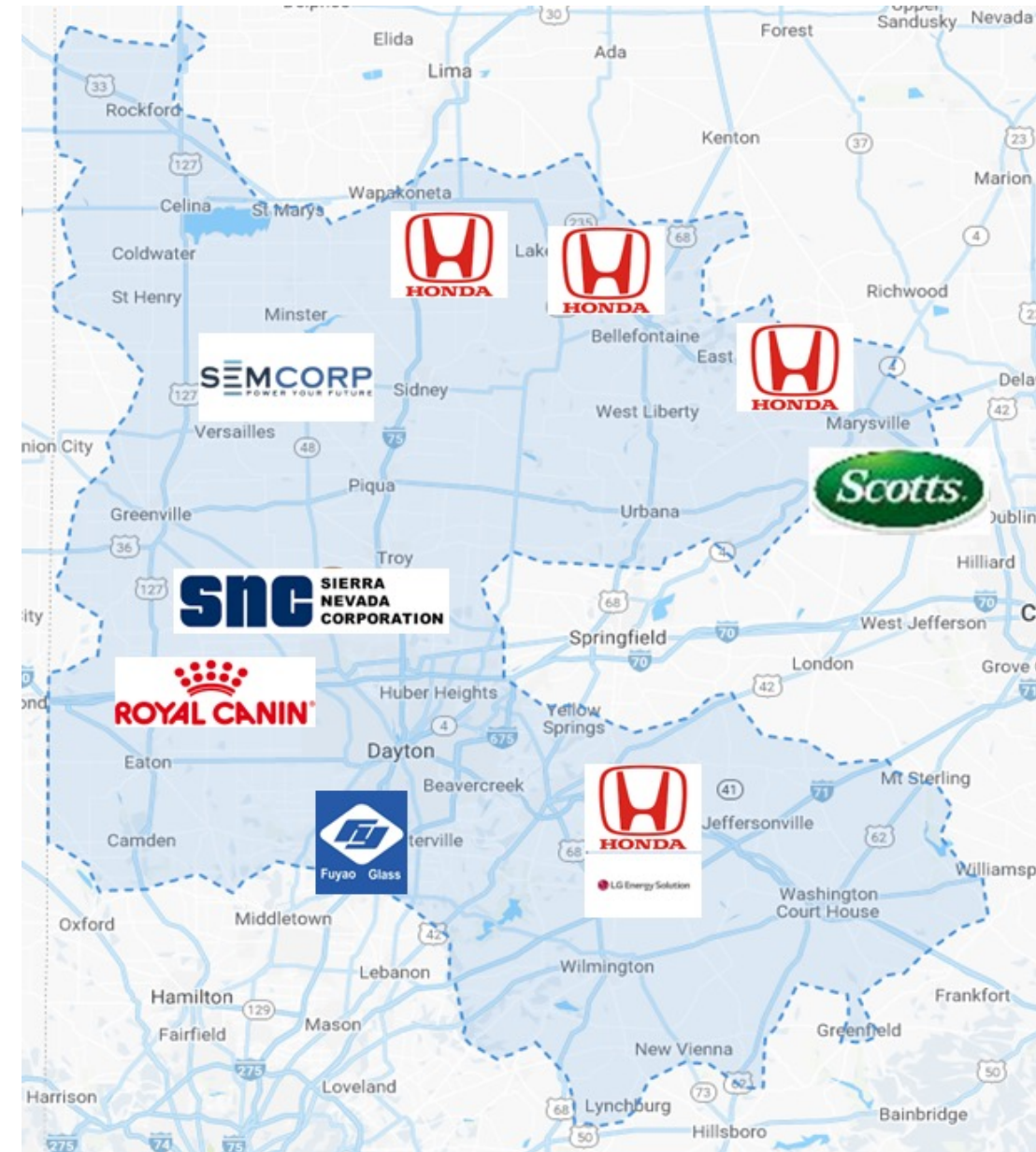
Our Midwest Service Territories are Poised for Historic Growth



Developing New 11,000-Acre Innovation District in Indiana



Lilly Indiana to Invest \$3.7 Billion, Creating 700 New Jobs



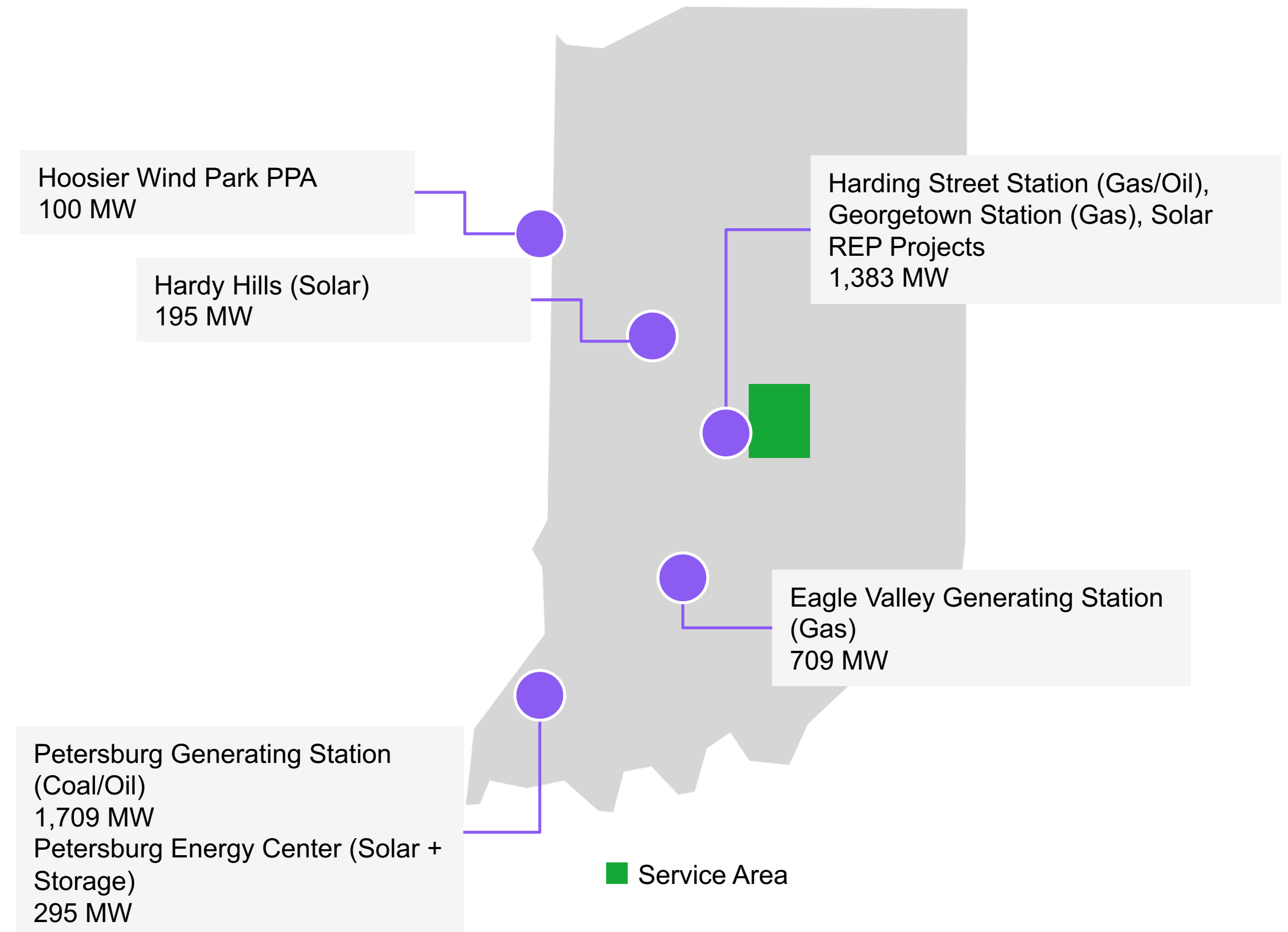
>100 MW of New Load Under Construction in Ohio

- Honda LGES JV to invest \$4.4 billion in our territory
- SEMCORP, Fuyao America, Royal Canin, Scotts, Sierra Nevada Corp.

aes Indiana

- 528 square miles
- 8 counties in Indiana
- 516,100 regulated customers
 - 456,400 Residential
 - 55,200 Commercial
 - 4,500 Industrial
- Vertically integrated utility
- Current rate base: \$4.0 billion
- Allowed ROE: 10%

4,101 Total MW of Generation



Note: 200 MW Lakefield Wind Park PPA in Minnesota not shown on map.

aes Ohio

- 6,000 square miles
- 24 counties in West Central Ohio
- 535,300 regulated customers
 - 474,000 Residential
 - 53,100 Commercial
 - 1,700 Industrial
- Transmission & Distribution utility
- Current rate base: \$1.3 billion
- Allowed ROE: 10%

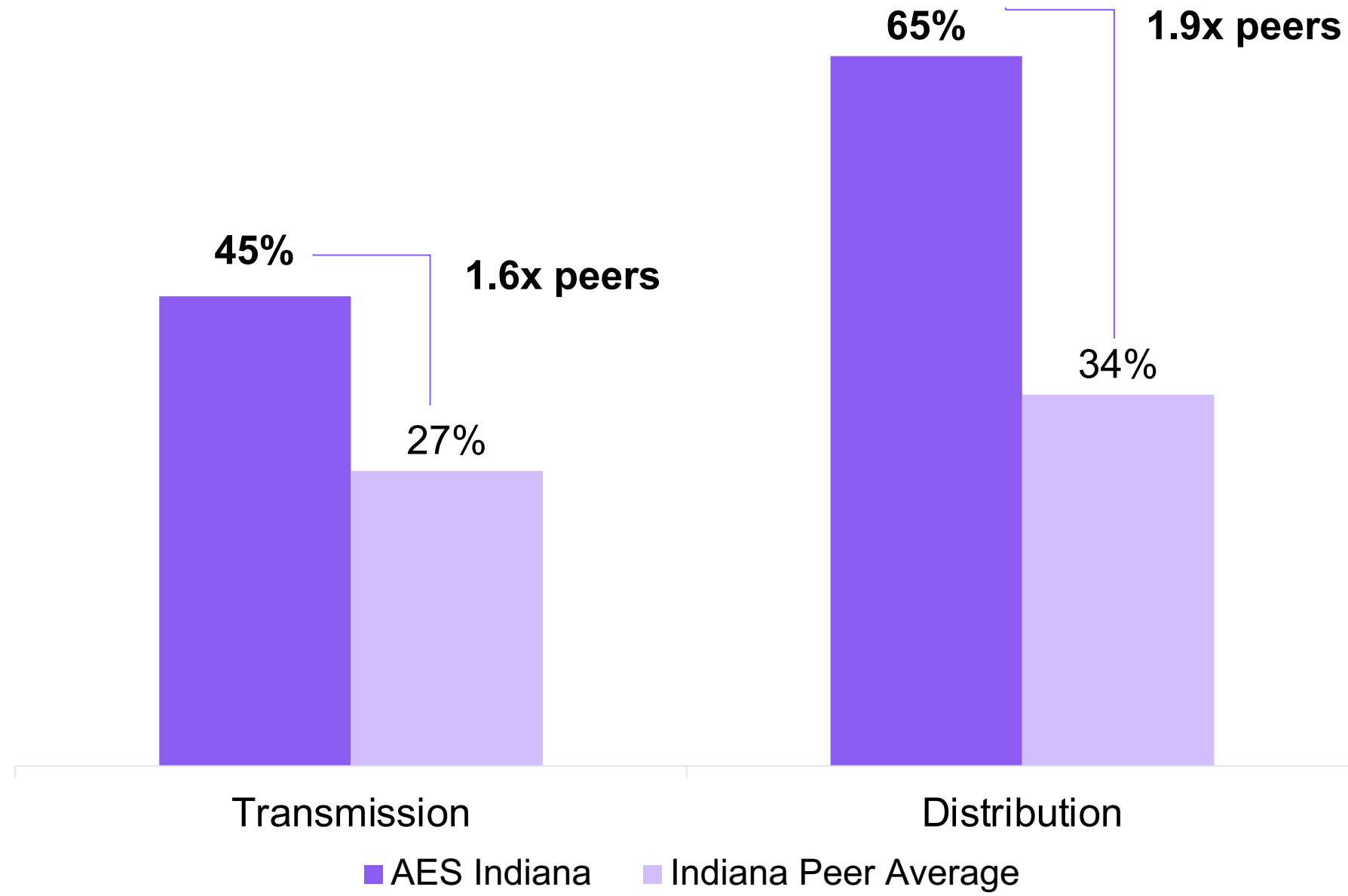


AES Ohio
Service Area

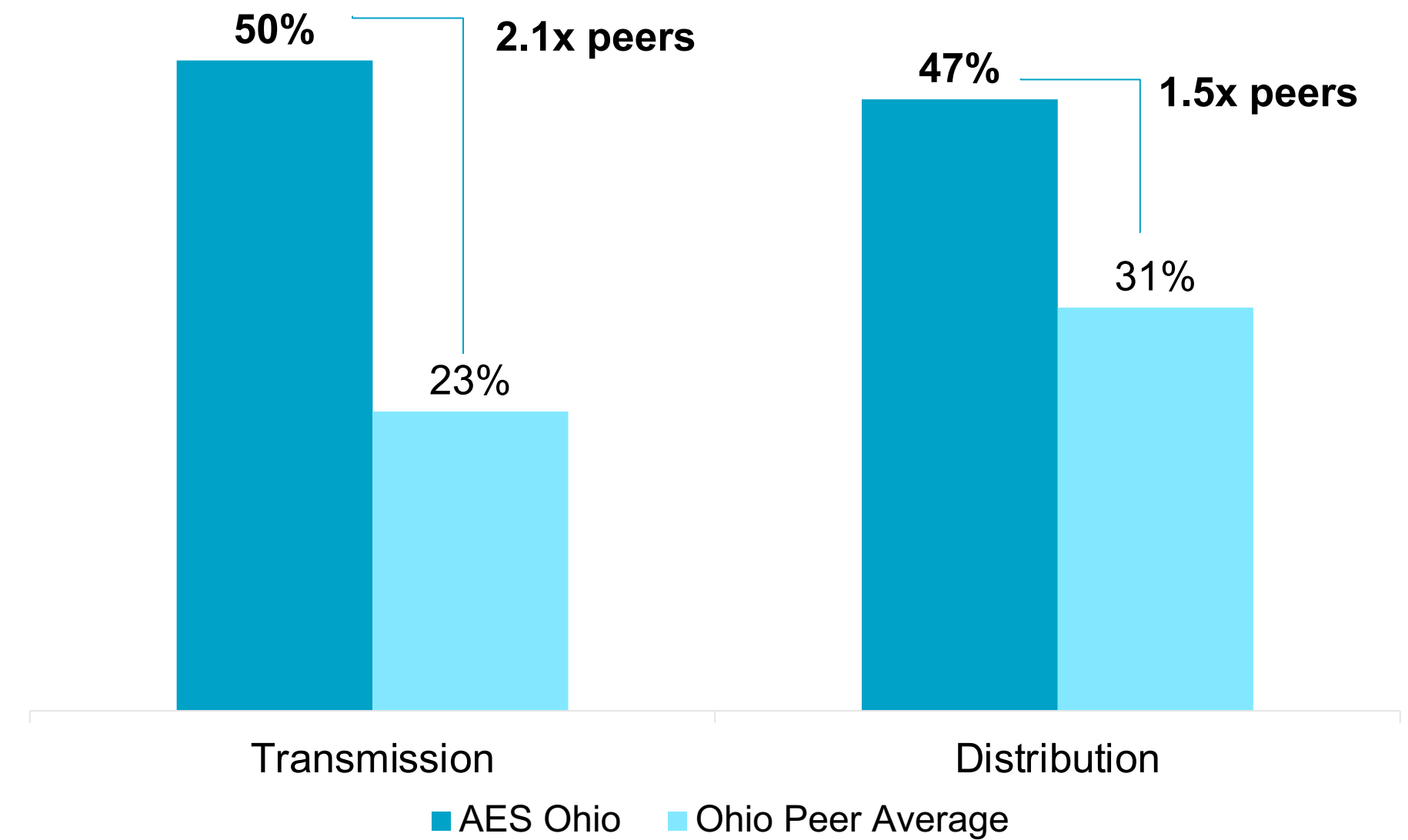
Our Systems Have a Substantial Need for Investment Due to a Significantly Older Asset Base Compared to Peers

% of Assets Depreciated

aes Indiana



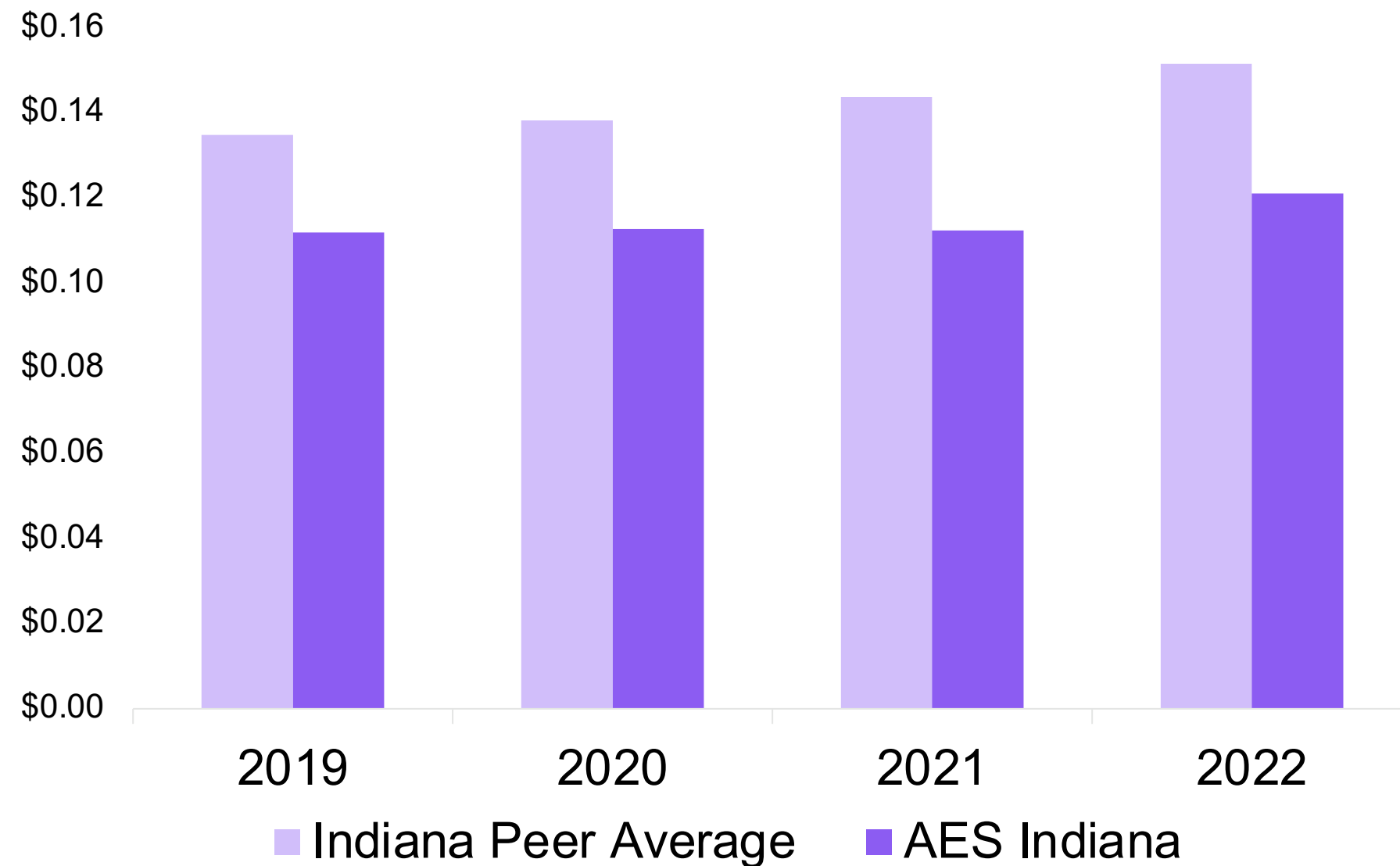
aes Ohio



Relative Rate Affordability Provides \$6.2 Billion¹ of Headroom for Growth Investment

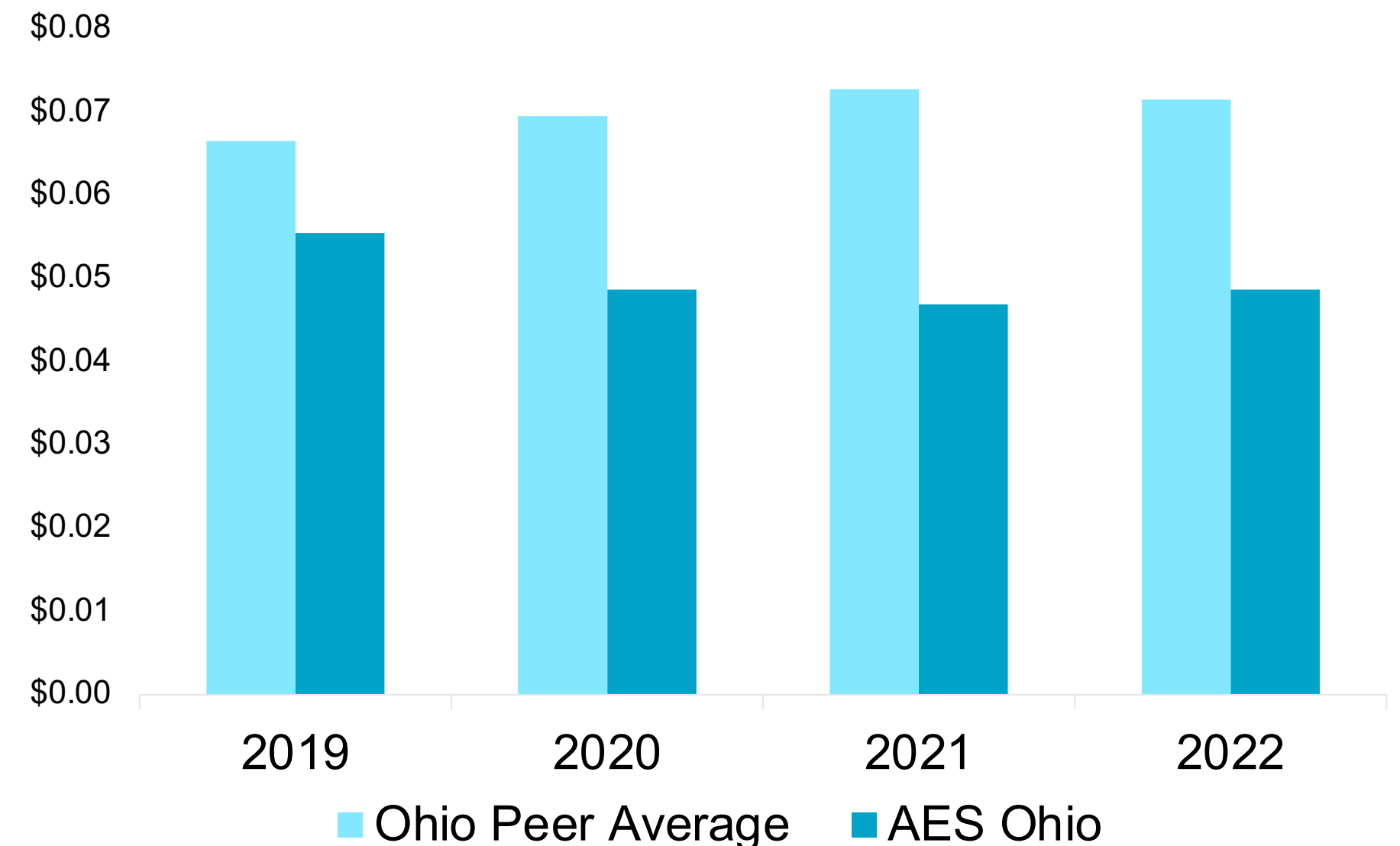
aes Indiana

Per kWh Residential Charge (Generation + T&D)



aes Ohio

Per kWh Residential Charge (T&D Only)



Note: AES Ohio does not own generation.

1. Amount necessary to invest to reach the mid-point of peer average.



Continuing to Invest to Transform and Build a More Reliable and Modern Platform

March 2020

- Approval to invest, through 2027, \$1.2 billion in Grid Modernization (annual true-up)
- 10% ROE

June & November 2021

- Approval to add 500 MW of renewables and energy storage

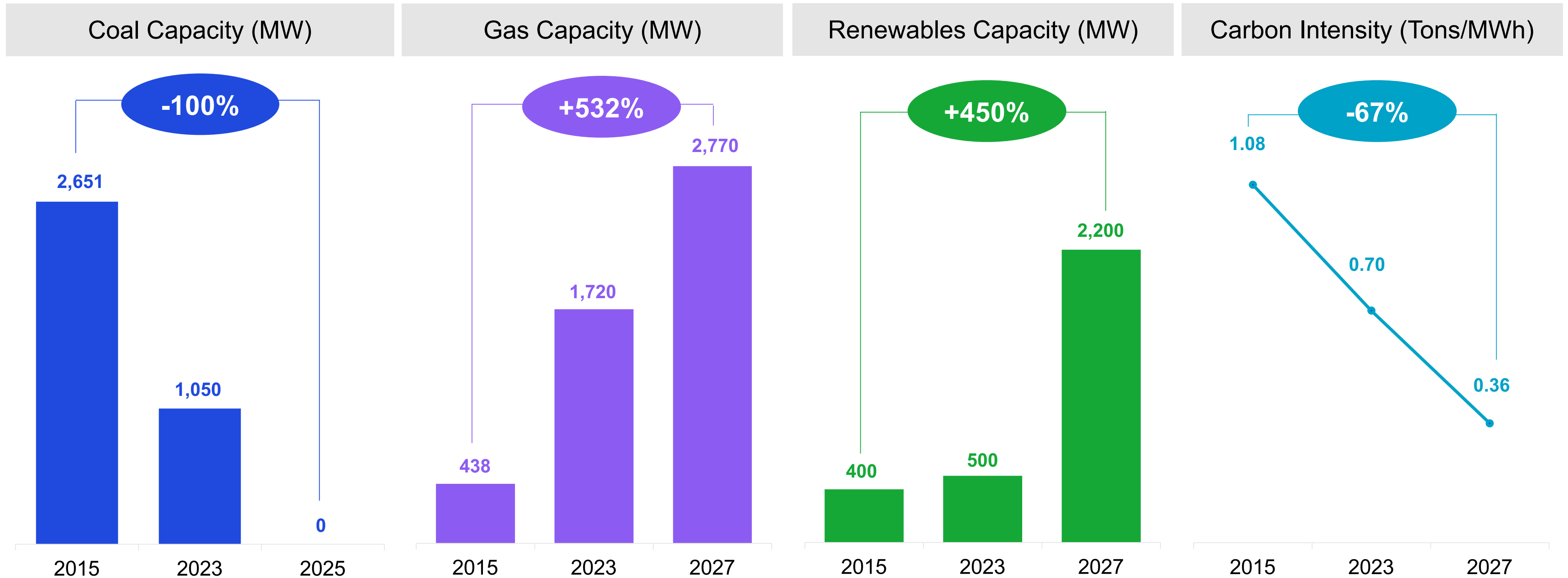
December 2022

- Filed Integrated Resource Plan (IRP)
 - Converting last remaining coal plant to 1 GW of natural gas
 - Adding up to 1.3 GW renewables by 2027

Transforming Our Generation Fleet While Delivering Affordable, Reliable & Sustainable Energy to Customers

1. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted PTC guidance without unreasonable effort. See Appendix for definition and a description of the adjustments to reconcile Adjusted PTC to income from continuing operations attributable to The AES Corporation.

AES Indiana: First Utility in Indiana Expected to Exit Coal, by Year-End 2025¹



1. Through asset sales, fuel conversions and retirements, while maintaining reliability and affordability, and subject to necessary approvals.



Significant Positive Regulatory Developments In Ohio

June 2021

- Commission approved Smart Grid Phase 1
- \$250 million of investment allowed under a rider to develop a more modern network
- Due to file for approval of Phase 2 by June 2024

December 2022

- Commission approved \$76 million annual revenue increase under Distribution Rate Case
- Allowing 10% ROE; 54% equity ratio
- New rates effective upon Commission approval of ESP4

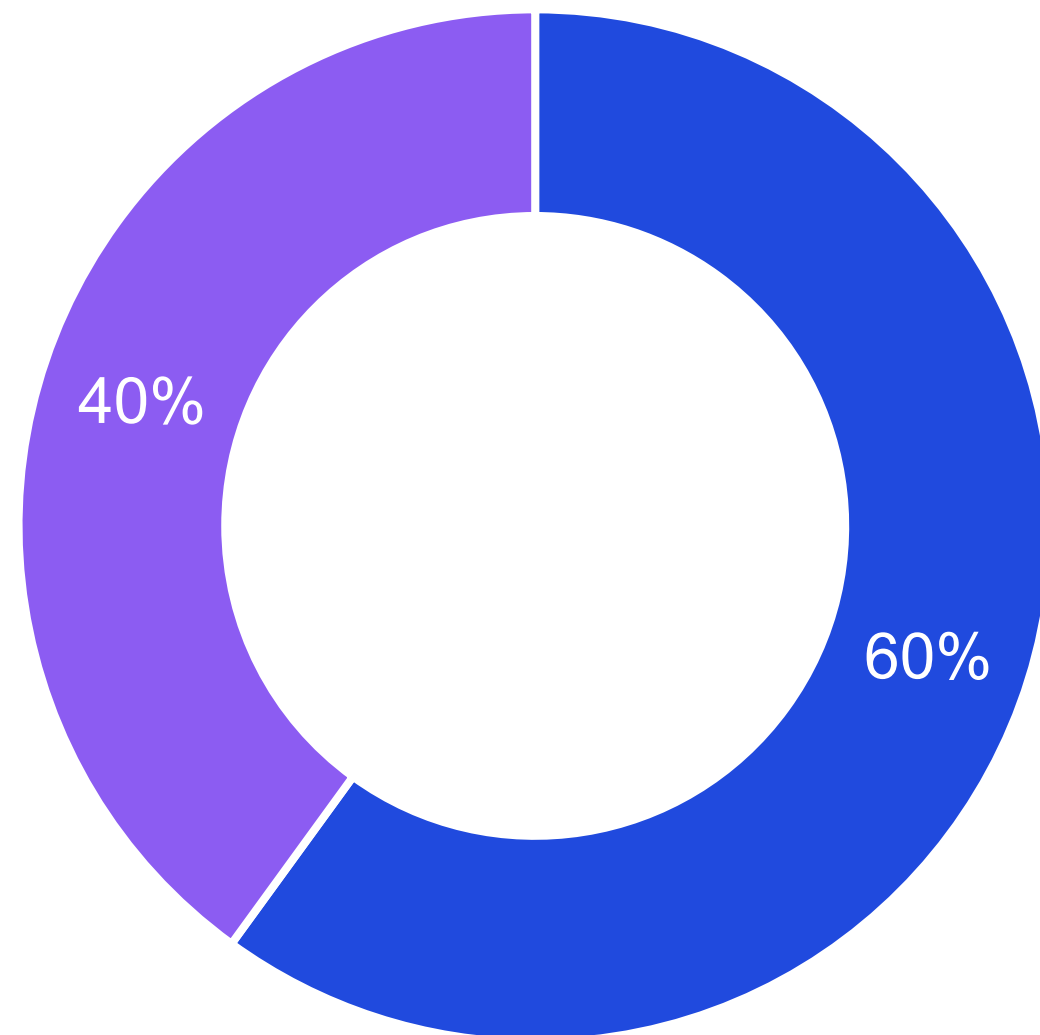
April 2023

- Comprehensive settlement of ESP4, setting strong foundation to execute on growth plan
- Rate Stability Charge removed, replaced with investment riders
 - \$500 million of grid investment allowed under DIR¹ over the 3-year term
- Ability to offer discounted rates to new/large customers
- Expect decision in Q3 2023

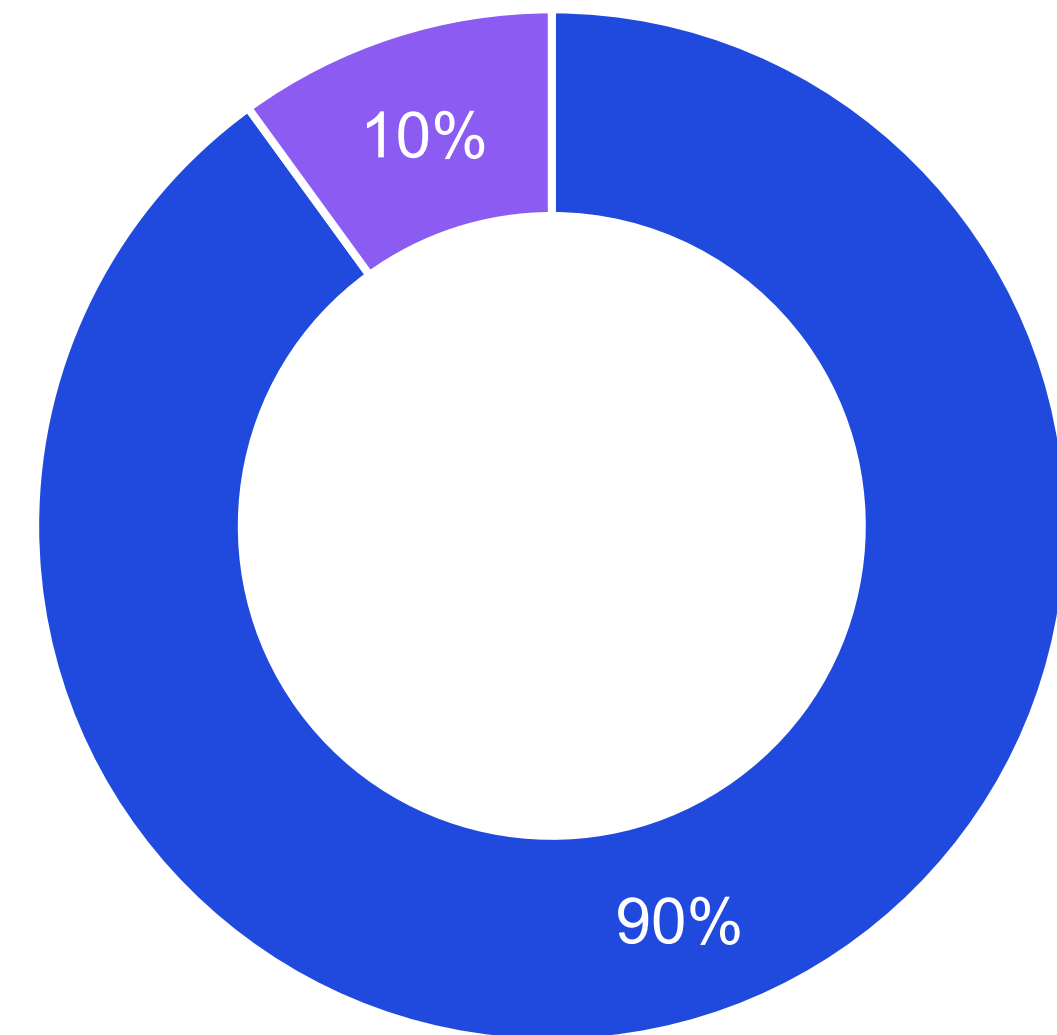
1. Distribution Investment Rider.

90% of AES Ohio's Investments are Ensured of Timely Recovery and Return Through Riders or Formula Rates

Current Recovery Method of 5-Year Capital Plan



Recovery Method of 5-Year Capital Plan Post-ESP4



ESP4
Implementation

■ Eligible for Riders/Formula Rates

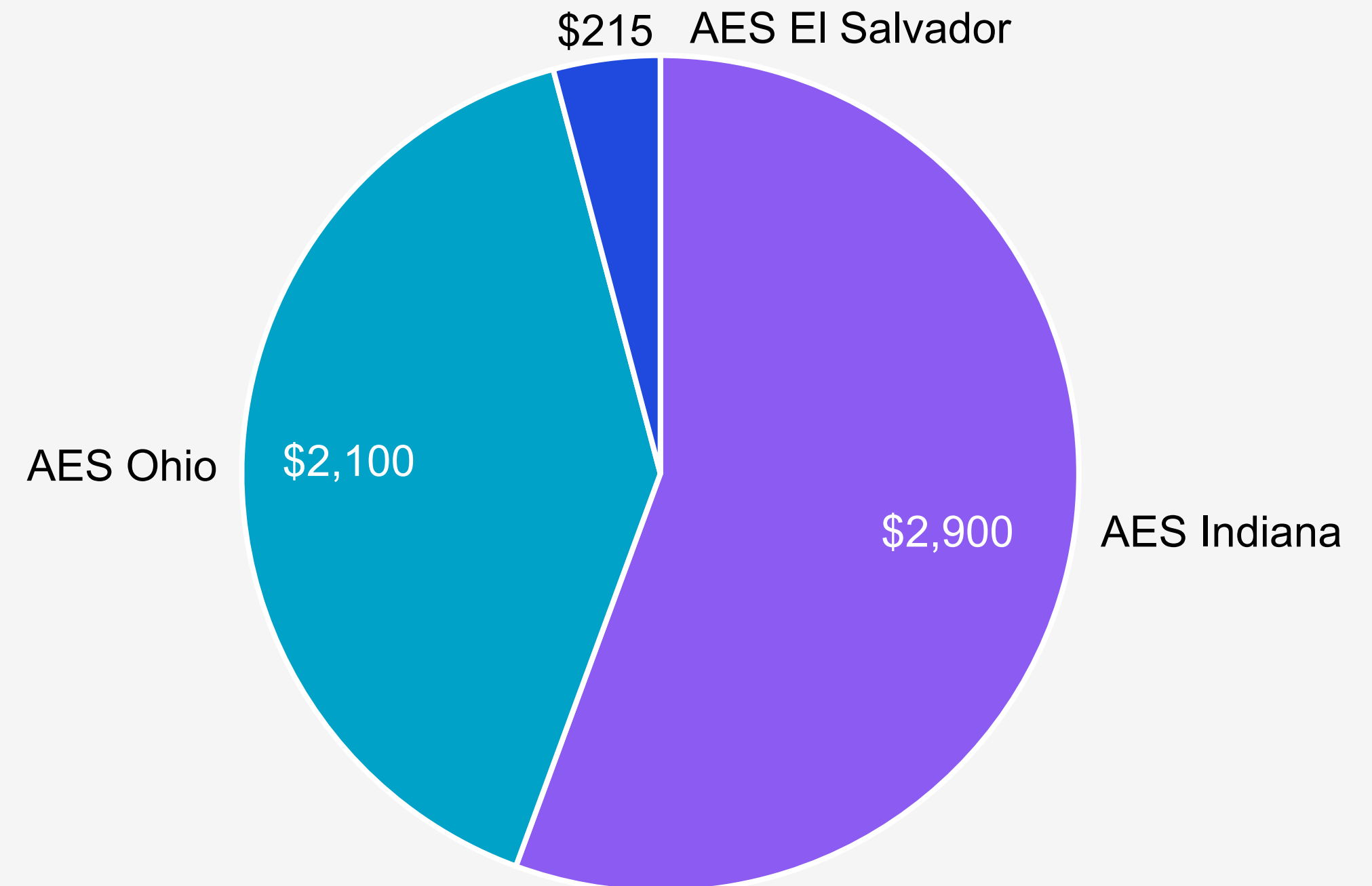
■ Recovery Through Future Rate Case

\$5.2 Billion Total Utility Capex¹ Planned Through 2027

→ Over 95% of our planned utility investment is in the United States

- ~90% of US investment plan subject to timely recovery through riders, formula rates, and existing rates
- ~80% of US investment plan already approved by regulators

2023-2027 Total Utility Investments, \$ in Millions



1. Includes maintenance capex, which is largely recovered through existing rates.



\$2.9 Billion of Planned Investments

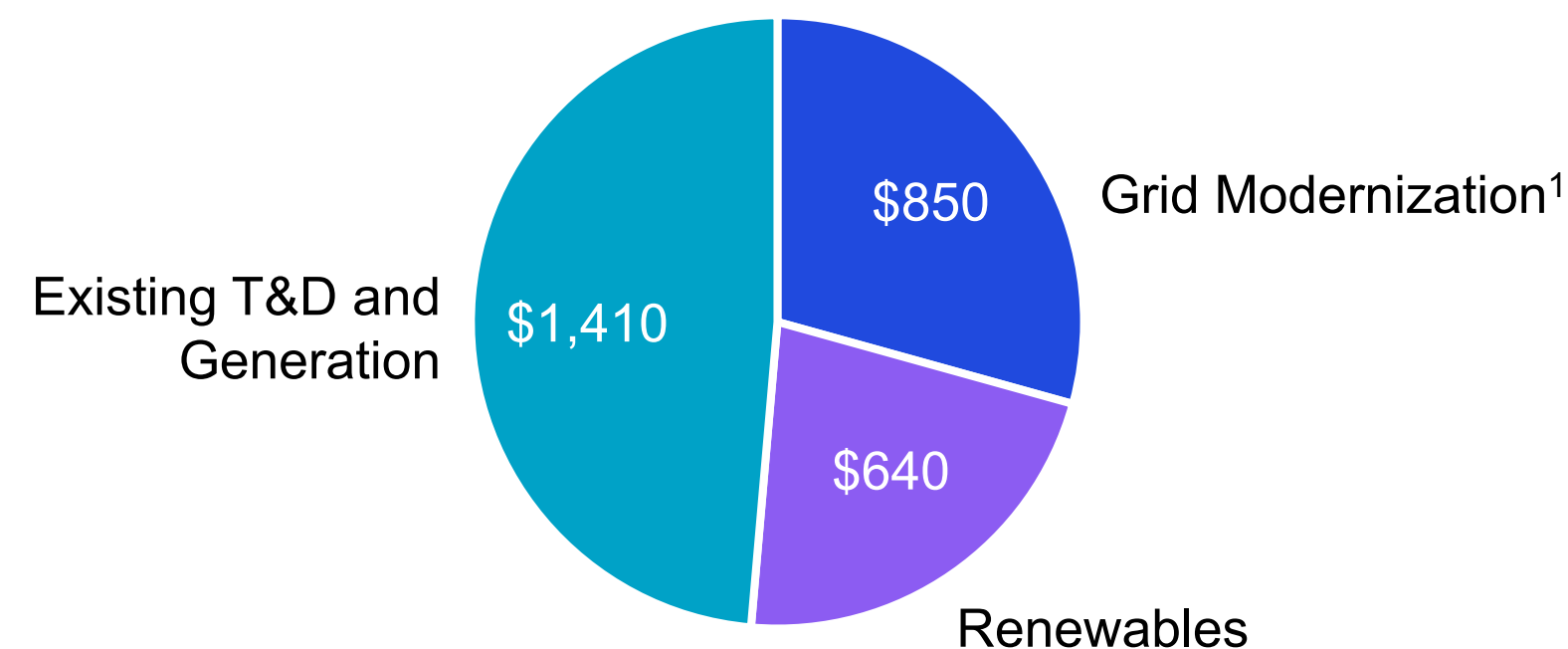
→ Continuing to invest to improve reliability and modernize the grid

- Grid Modernization: smart grid devices, replace/upgrade substations and 15kV lines

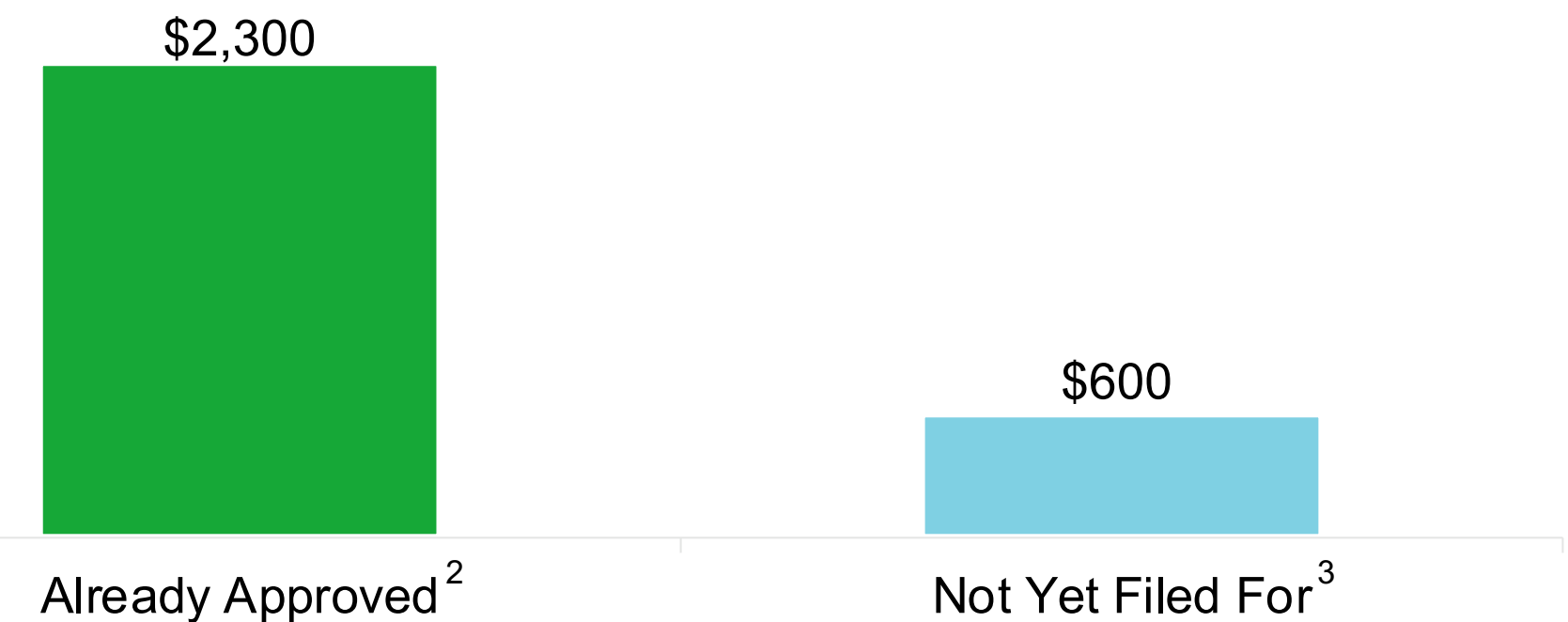
→ Transforming our generation fleet

- Hardy Hills: 195 MW solar
- Petersburg Energy Center: 250 MW solar + 45 MW energy storage
- Petersburg 3&4 proposed conversion from coal to natural gas
- Pending RFPs offer additional investment opportunities

2023-2027 Investments, \$ in Millions



Status of Regulatory Approval, \$ in Millions



1. Grid modernization investments are recovered under the TDSIC (Transmission, Distribution and Storage System Improvement Charge) tracker.

2. Includes renewable projects with CPCNs, TDISC and maintenance capital already reflected in base rates.

3. Relates to potential projects without explicit Commission approval or base growth capital to be recouped in next rate review.

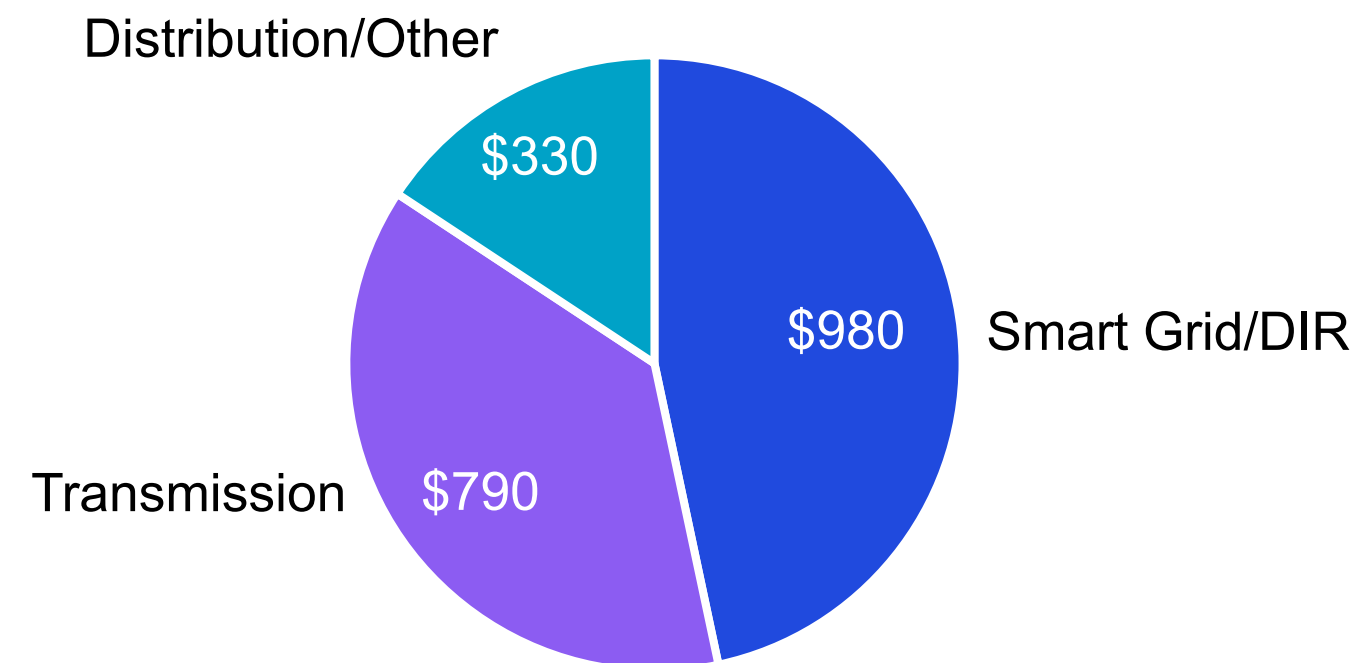


\$2.1 Billion of Planned Investments

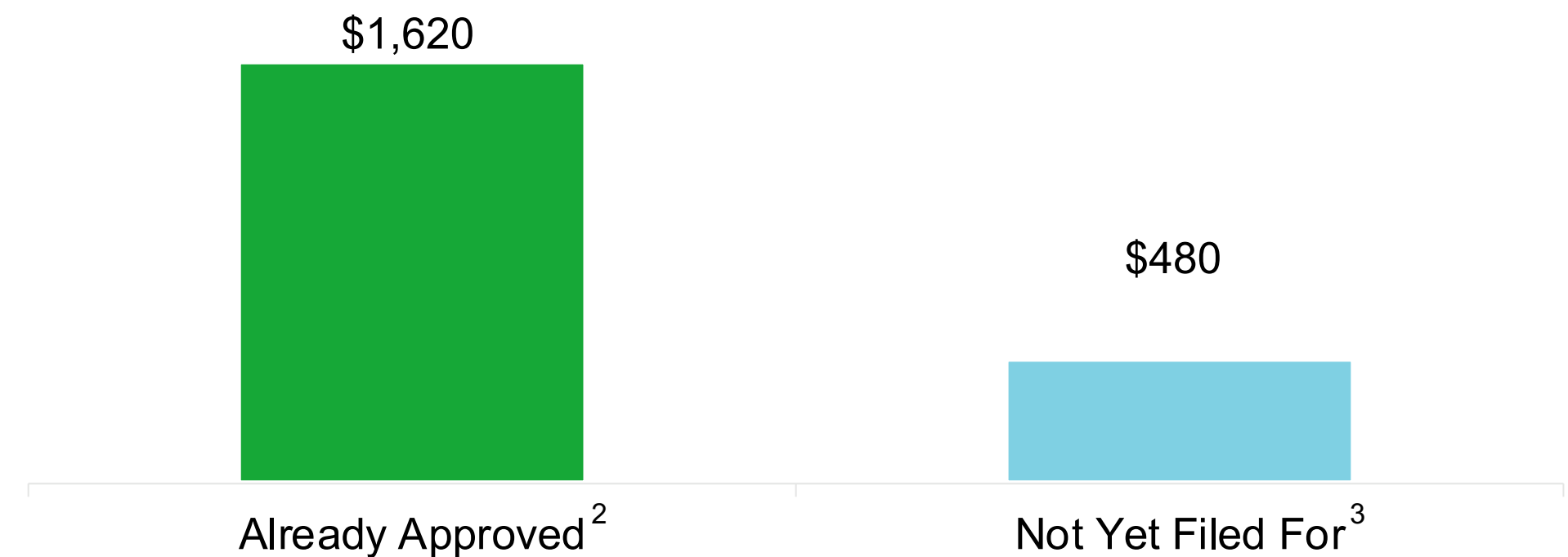
→ Investments are necessary to upgrade networks and improve reliability

- Smart Grid Rider: smart meters, distribution/substation automation, ADMS¹
- Distribution Investment Rider (DIR): replacing poles and cables at/near end of life, system hardening
- Transmission/other: supporting economic growth (Honda/LGES plant), new and expanded substations

2023-2027 Investments, \$ in Millions



Status of Regulatory Approval, \$ in Millions



1. Advanced distribution management system

2. Includes approved smart grid investments (\$190 million), distribution investment rider eligible capex agreed to in ESP4 settlement (\$500 million), transmission investments (\$790 million subject to FERC) and maintenance capital already reflected in base rates.

3. Relates to potential projects without explicit Commission approval or base growth capital to be recouped in next rate review.

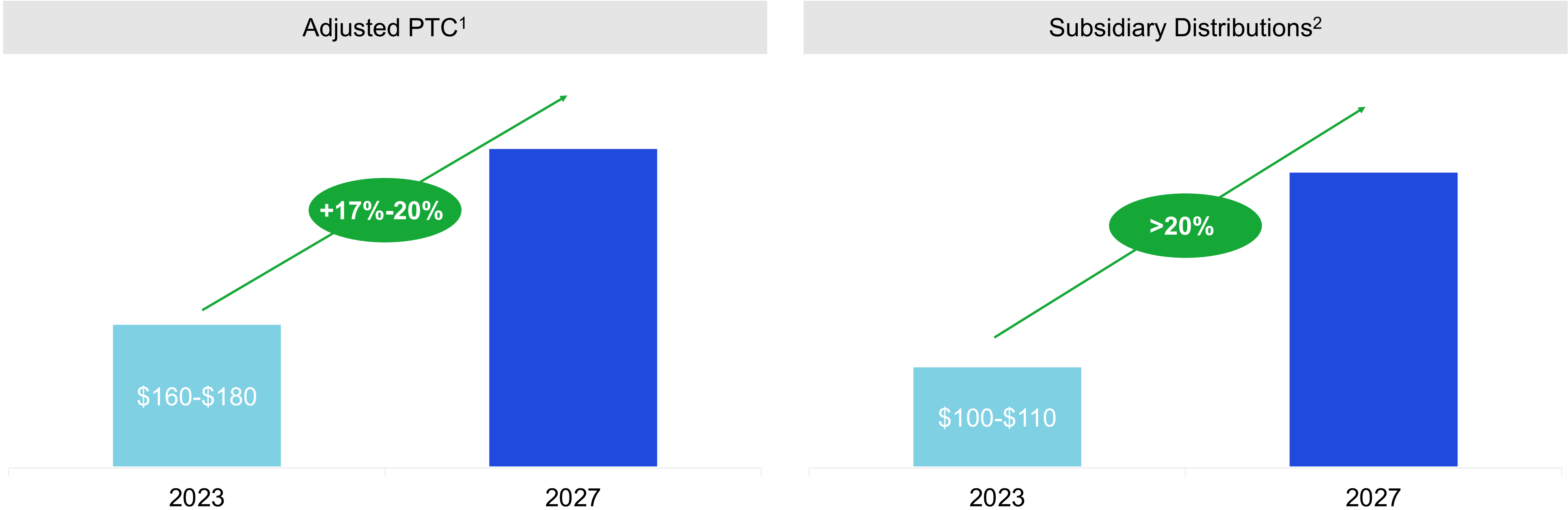
US Investment Plan Yields Strong Rate Base Growth of 10%, Well Above the Industry Average

Rate Base, \$ in Millions



Utilities Segment Positioned to Deliver Attractive Long-Term Growth

\$ in Millions



1. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted PTC guidance without unreasonable effort. See Appendix for definition and for a description of the adjustments to reconcile Adjusted PTC to Income (Loss) from Continuing Operations, Net of Tax, Attributable to AES for 2022.
2. See Appendix for definition.

Key Takeaways

- Projected average annual Adjusted PTC¹ and cash flow growth of ~20% through 2027
- Significant need for infrastructure investments and ample tariff headroom provide highly visible path for strong organic growth
- Constructive regulatory frameworks that de-risk our investment plan
- Service territories benefiting from economic development and electrification, which could provide upside to our plan

1. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted PTC guidance without unreasonable effort. See Appendix for definition and for a description of the adjustments to reconcile Adjusted PTC to Income (Loss) from Continuing Operations, Net of Tax, Attributable to AES for 2022.



New Energy Technologies

Chris Shelton | SVP and Chief Product Officer



New Energy Technologies

Delivering...

- **Fast-track** energy future for AES customers
- **Competitive edge** driving growth in **existing businesses**
- New **high-growth business additions** to AES
- **Great Place to Work** for our people delivering leading innovations



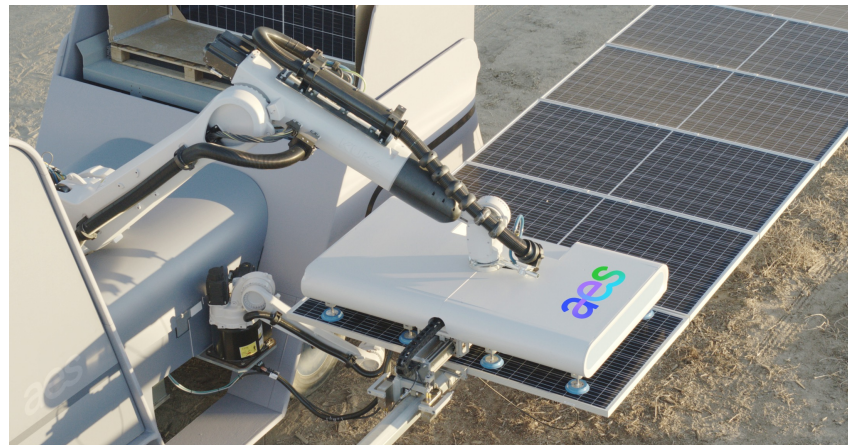
New Energy Technologies Delivers Three Value Drivers to AES Business Overall

Relative outperformance for **Renewables, Utilities, and Energy Infrastructure** SBUs

New Energy Technologies comprised of high-growth capital-light tech businesses + new high growth green businesses in asset owner model (e.g. H2)

1

Uplift in Core Businesses



Innovation driving competitive edge and durability of SBUs

higher relative performance

2

Leading Tech Platforms

FLUENCE[®]
uplight

High-growth tech businesses leveraging AES insights

portfolio value

3

New Green Business



New high-growth asset businesses

earnings/EBITDA opp. post 2027

Building on Track Record of Leading Innovations Over the Past Decade

AES' current performance realized through ambitious future-focused new growth initiated several years prior

strategy initiated in 2018

1 Uplift in Core Bus.

Green Blend & Extend strategy

5 GW

Wind, solar, and battery conversions of fossil PPAs

strategy initiated in 2018

2 Tech Platforms

Originator and leader in grid battery storage

~\$3B

Value of Fluence Energy

based on closing price on May 5, 2023

strategy initiated in 2015

3 New Green Bus.

Renewables leader for Commercial and Industrial customers

80%

Share of AES generating capacity from renewables by 2027

New Energy Technologies Driving Competitive Edge and New Growth for AES

ADVANTAGE

Customer satisfaction and competitive edge in core SBUs



Renewables



Utilities



Energy Infrastructure



New Energy Technologies

Storage innovations, scale, and platform value (Fluence)

Electric grid innovations enabling decarbonization (Uplight)

Transforming solar construction (5B, Atlas)

Hydrogen integration with 24/7 capabilities

Hydrogen-based electro-fuels for asset extensions

Tech Platform Businesses

+

New High-Growth Green Businesses

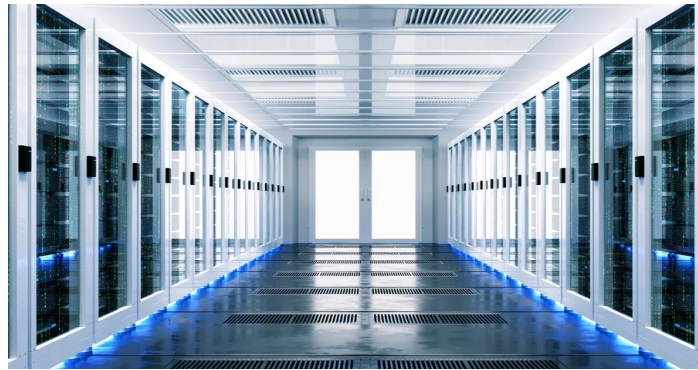
ADVANTAGE

Higher success rate and value for new growth innovations

Focusing on Select Customer Segments and Solutions

Four Customer Segments

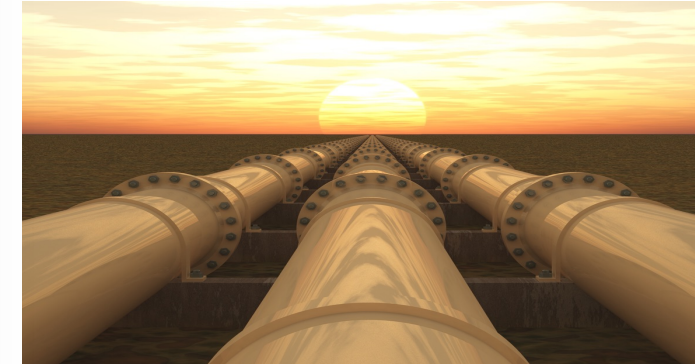
Big Tech



Mining



Large C&I



US Utilities



Five Solution Categories



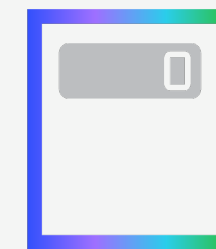
Greener
Capacity



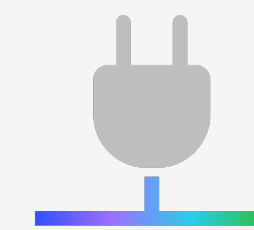
Smart Grid



Carbon-Free
Electricity



Digital
Solutions



Electrification

AES Originated Grid Battery Storage Category¹, Which is Set to Grow Faster than Wind

2009

1st Commercial Lithium-ion Grid Battery

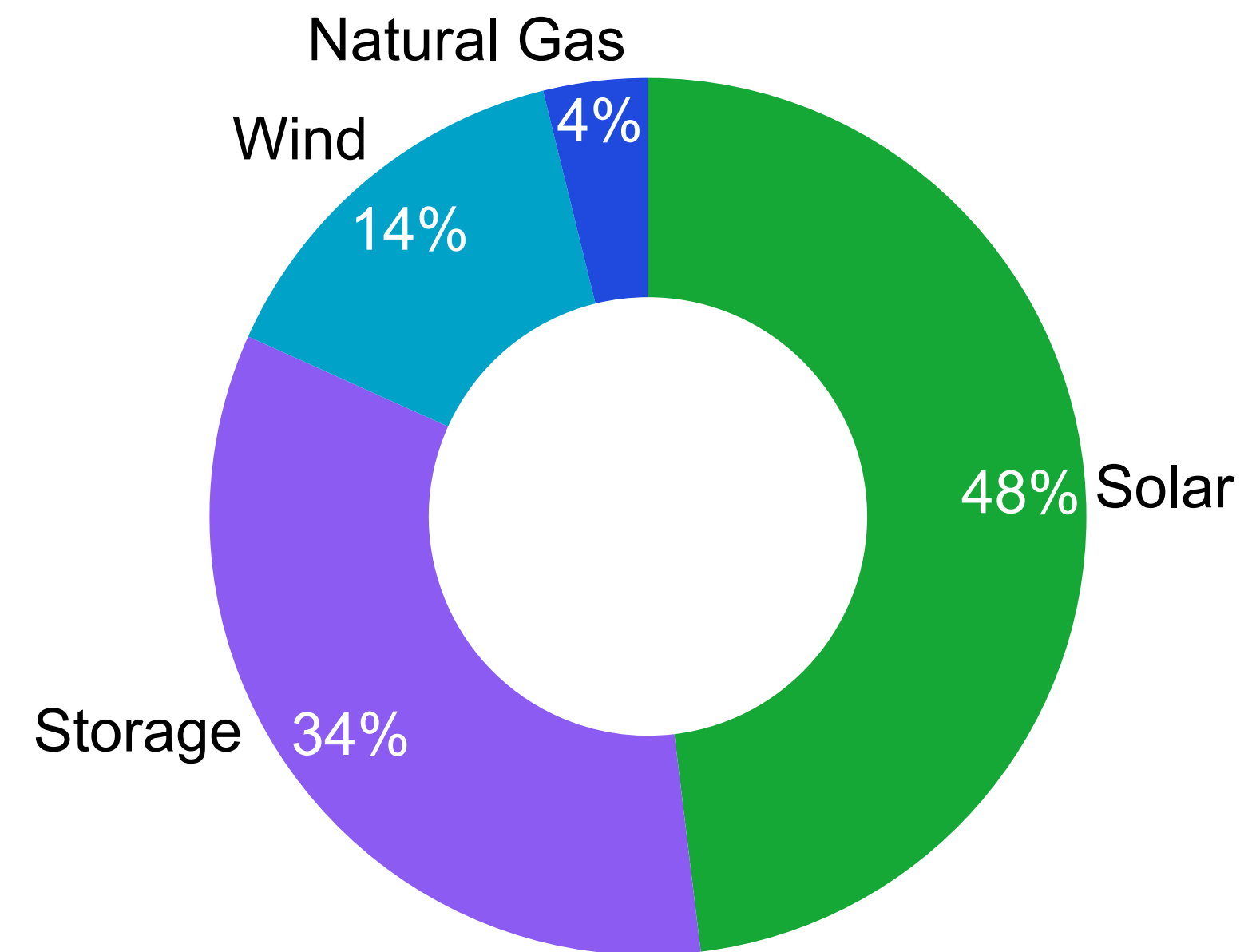
12 MW, AES Los Andes, Chile



2022

U.S. Interconnection Requests²

~2 Terawatts

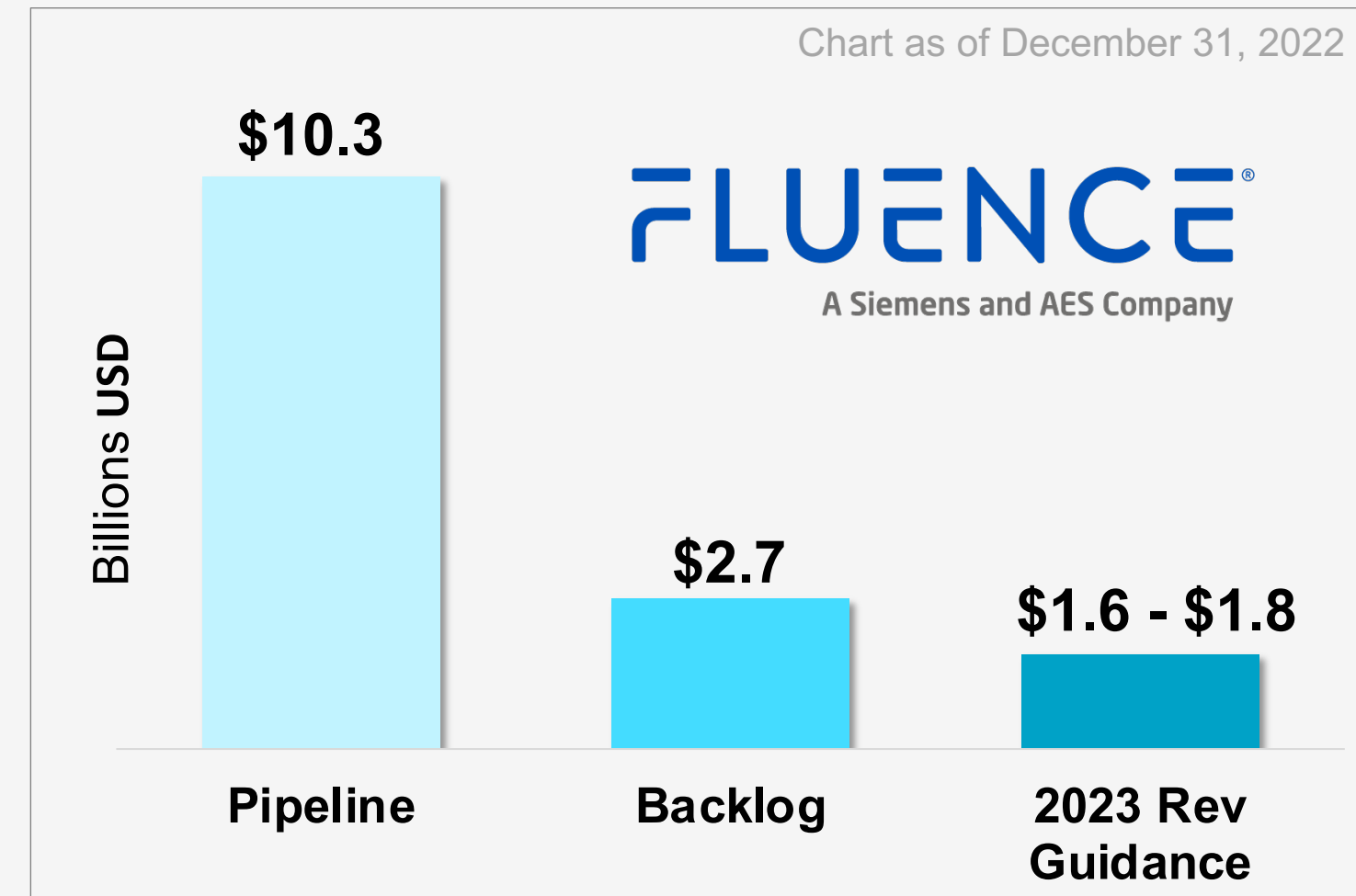


Storage from 1% to 30% in <10 years

1. FERC Docket No. EG10-21-000. April 5, 2010, AES battery recognized by FERC as "first instance" of battery being granted wholesale generator status.
 2. <https://emp.lbl.gov/queues>

Storage Platform (Fluence Energy¹)

- Committed to be Adjusted **EBITDA positive** in 2024
- IRA supports multi-year revenue **growth of 35%-40%**
- Strong demand with **\$10.3 billion pipeline**, nearly 4x current backlog



1. Based on Fluence Energy materials and statements from February 8, 2023 earnings call.

Fluence Energy's¹ Competitive Edge Driven by Deep Application Insights

PROPRIETARY, HIGH-PERFORMANCE SOLUTION FOR TRANSMISSION



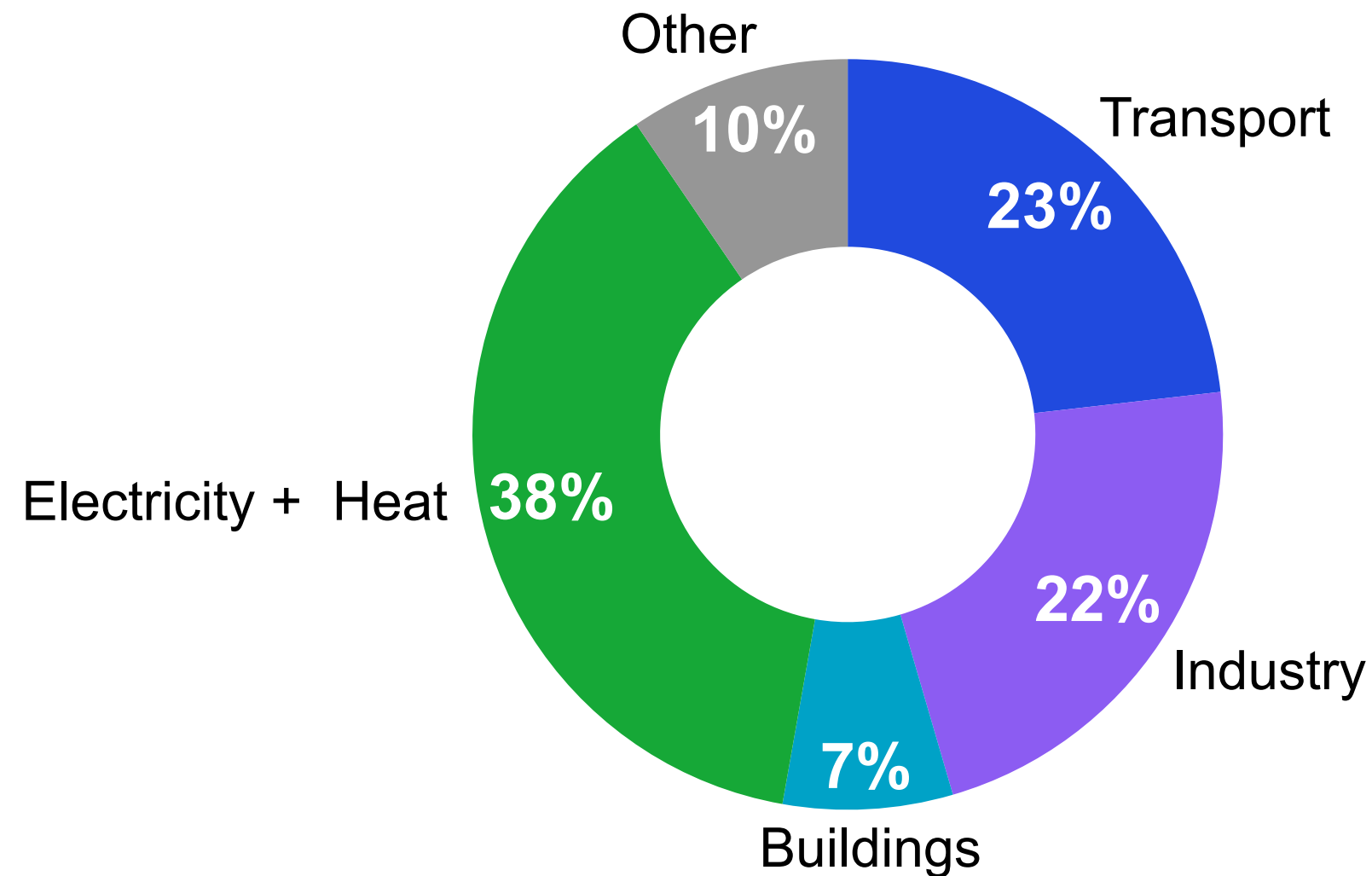
Fluence and AES Collaborating on “Grid Boosters”

- Fast-response battery storage **releases transmission capacity** on constrained lines
- AES has **500 MW in development** to expand transmission line from central grid to northern grid in Chile
- **Potential in US market** to help solve grid bottlenecks

1. All statements and claims are provided by Fluence Energy and based on publicly available information.
2. S&P Global storage-as-transmission forecast

Green Hydrogen Depends on Clean Grid, Enables Decarbonization Beyond it

**Global greenhouse gas emissions
by sector (CO₂e)¹**
excluding non-energy related



Analysis above comprises ~80% of global emissions



Emerging

81 million
tons per year²

- Early long-haul transport
- Ammonia
- Shipping
- Early steel

Future

440 million
tons per year²

- Aviation
- Long-haul transport
- Industrial heat
- Steel
- Power plants (low dispatch)

1. Our World in Data based on Climate Indicators Tool (CAIT) for 2019.
2. BNEF Net Zero Scenario – Electrolysis hydrogen production in 2035, BNEF Net Zero Scenario – Electrolysis hydrogen production in 2050.

Green Hydrogen Business

- Differentiated capability in green hydrogen leveraging development, engineering, and innovation
- Contracted clean asset business like renewables
- Hydrogen-based green fuels enabling broader decarbonization
- Drives demand for potential 1,000+ GW renewables by 2030¹

Vision
1200 MT/D
 electrolyzer capacity
 in operation
 by 2030

Opportunity
\$20B
 total capital needs for
 1200 MT/D²
 inclusive of hydrogen plant and
 renewables investment



1. Based on low carbon hydrogen production from electricity in IEA Net Zero Scenario, <https://www.iea.org/reports/hydrogen>.

2. Capital requirements inclusive of hydrogen plant and renewables required; AES equity expected to be 5% of total capex after debt and partner equity.

MT/D = metric tons per day

AES and Air Products Announced the Largest Green Hydrogen Project in the US



partner and hydrogen off-taker

\$4B

project capital requirements

\$150-200m

AES share of project equity,
COD in 2027

10%-13%

expected IRR



~1.4 GW

wind and solar
capacity

200+ MT/D

green hydrogen
production capacity

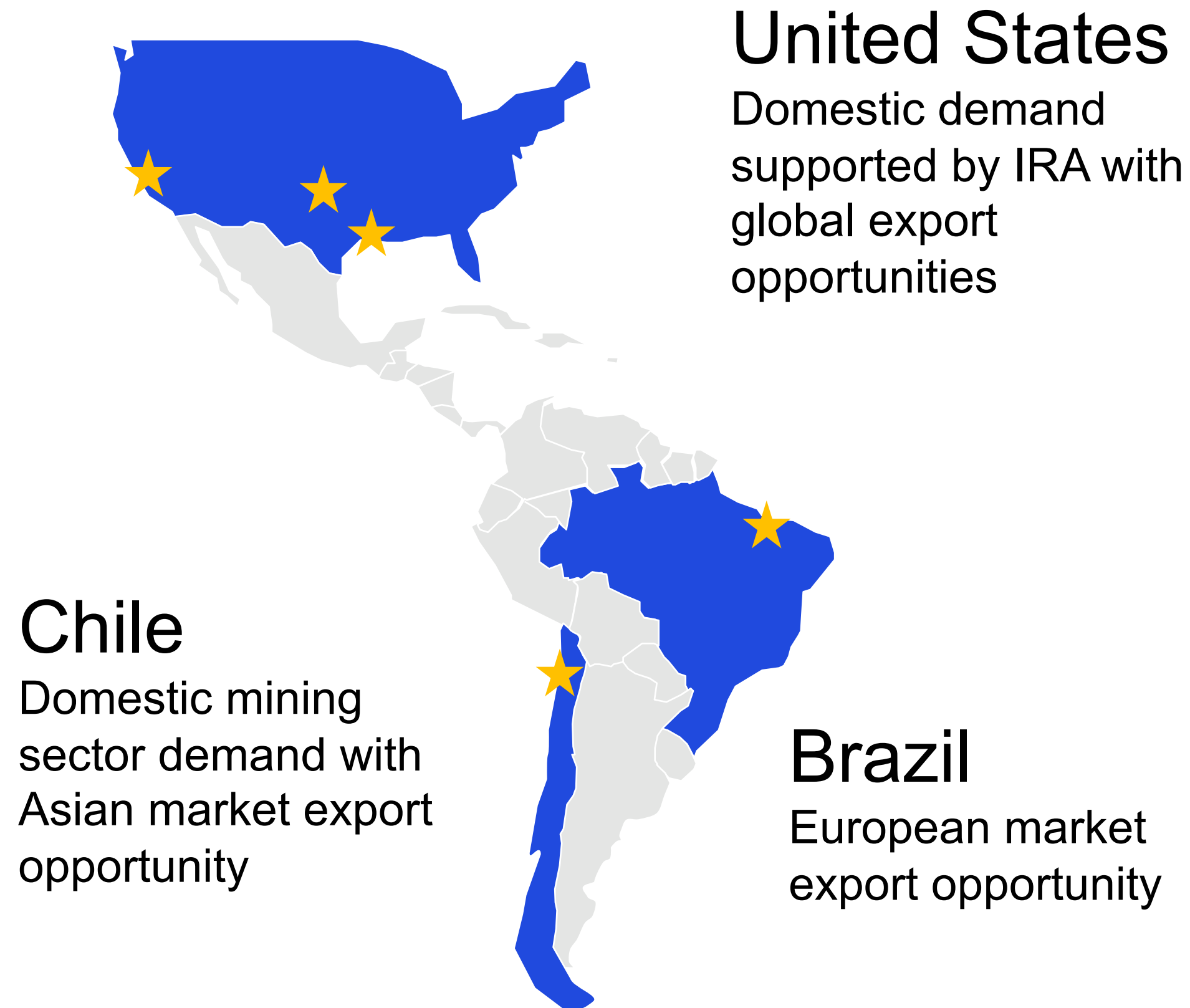


clean energy
hourly matching

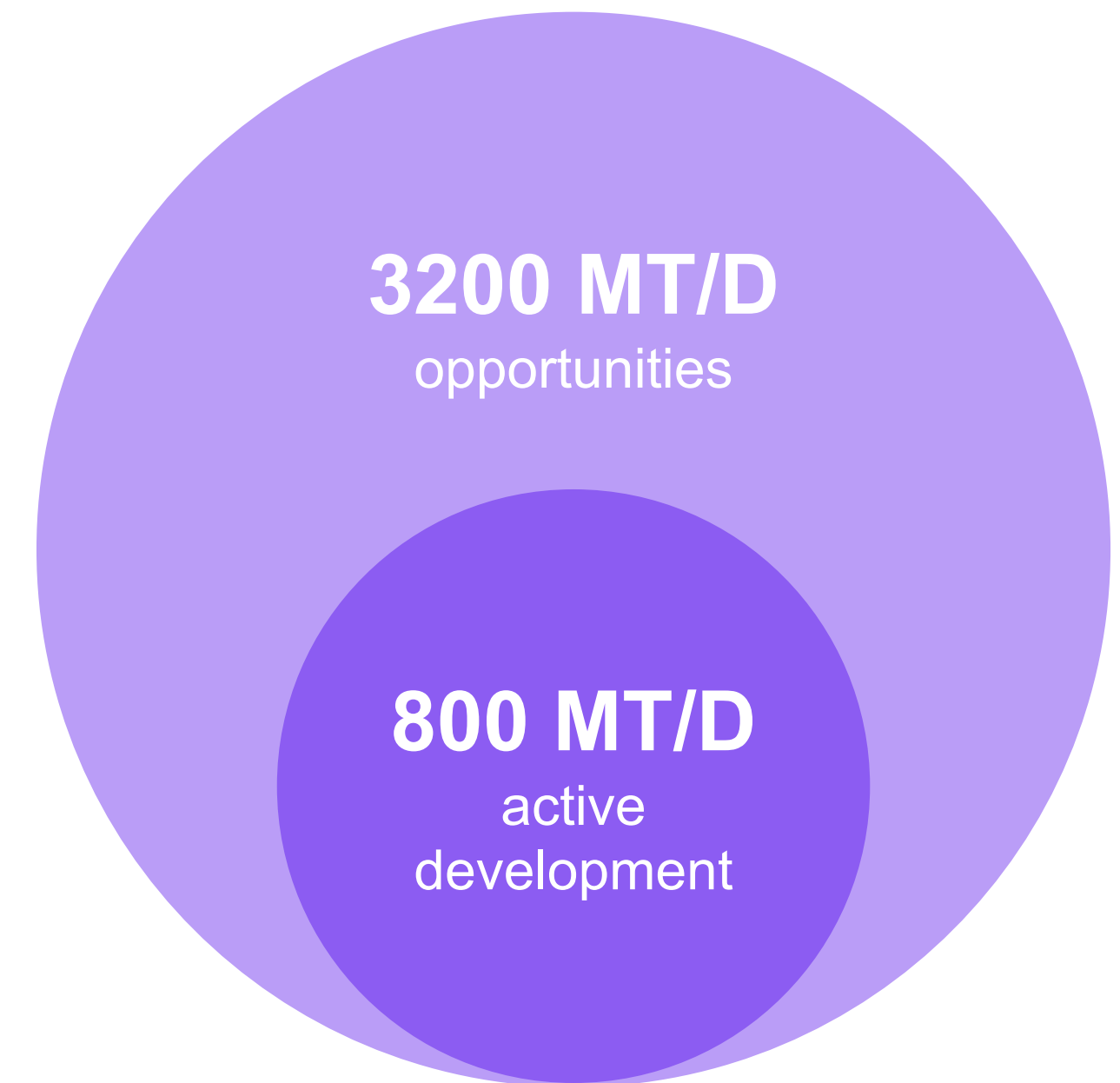


Opportunity to avoid 50m metric tons of CO₂ over
project life, equivalent to avoiding 5 billion gallons of diesel

AES' Green Hydrogen Development Opportunities



Green Hydrogen Production



100 MT/D green H2 requires ~\$2B capital
inclusive of hydrogen plant and renewables investments

Other Key Initiatives in New Energy Technologies Pipeline

Atlas

Install with
1/2 the cost,
1/2 the time¹



Demand-side
orchestration
across U.S.



Infrastructure Repurposing

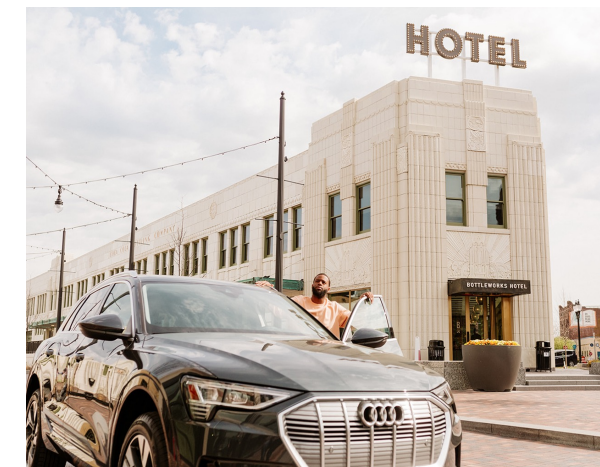
Proven
technology
conversions



Build in 1/3 of
the time, with
~1/2 the land²



Grid-integrated
EV adoption
for utilities



SAT

Storage as
transmission



New Green Business

Leading Tech Platforms

Uplift in Core

1. Based on robot cost and performance in field trials in comparison to internal time studies for manual installation of single-axis-trackers.
2. Based on solar array build time performance and energy yield in multiple AES project installations.

New Energy Technologies Delivers Three Value Drivers to AES Business Overall

Core SBUs Business Value

1

Uplift in Core Businesses



Innovation driving competitive edge and durability of SBUs

higher relative performance

#1

in C&I renewables globally¹

enabled by new tech innovation

New Energy Technologies Business Value

2

Leading Tech Platforms

FLUENCE[®]
uplight

High-growth tech businesses leveraging AES insights

portfolio value

\$1.5-2.0B

current equity value estimate²

8x equity investment to-date

3

New Green Business



Adjacent high-growth asset businesses

earning/EBITDA opportunity

~\$500m

2030 EBITDA with tax attributes³

based on 1200 MT/D hydrogen

1. According to Bloomberg New Energy Finance.

2. Based on AES share of Fluence and average market value of FLNC over last 90 days through May 5, 2023, plus value of share of Uplight, 5B, and Motor.

3. Includes hydrogen production and renewables assets; AES ownership adjusted.

MT/D = metric tons per day

Edison Electric Institute's Edison Award for Innovation – Awarded Seven in the Last 15 Years



2007



2011



2012



2013



2016



2019



2021

Financial Outlook

Stephen Coughlin | EVP & CFO



AES is Well Positioned to Capture the Value of the Energy Transition

Fast Growing Renewables Earn Attractive Returns

- Target 10%-13% returns¹ in the US and 14%-17% internationally; capex known upfront, minimal opex
- Long-term, USD-denominated contracts and creditworthy customers
- Expect to triple our renewables capacity by 2027

Utilities Investment Plan Drives High-Teens Adjusted PTC² Growth

- Catch up earnings on capital already deployed
- Current rate base and low customer rates leave significant headroom for new investment; clear need for upgrades
- Regulatory frameworks allow for timely, low-risk recovery of growth capex

Diversified Portfolio Provides Unique Advantages

- Able to serve large corporate clients across multiple geographies
- Broad technological expertise enables differentiated solutions
- Gas and LNG infrastructure businesses can provide upside through embedded optionality

Intended Coal Exit³ Advances Portfolio Transformation

- Coal exit unlocks access to significantly broader investor base
- Recycled capital to fund growth
- Repurposing sites provides potential upside

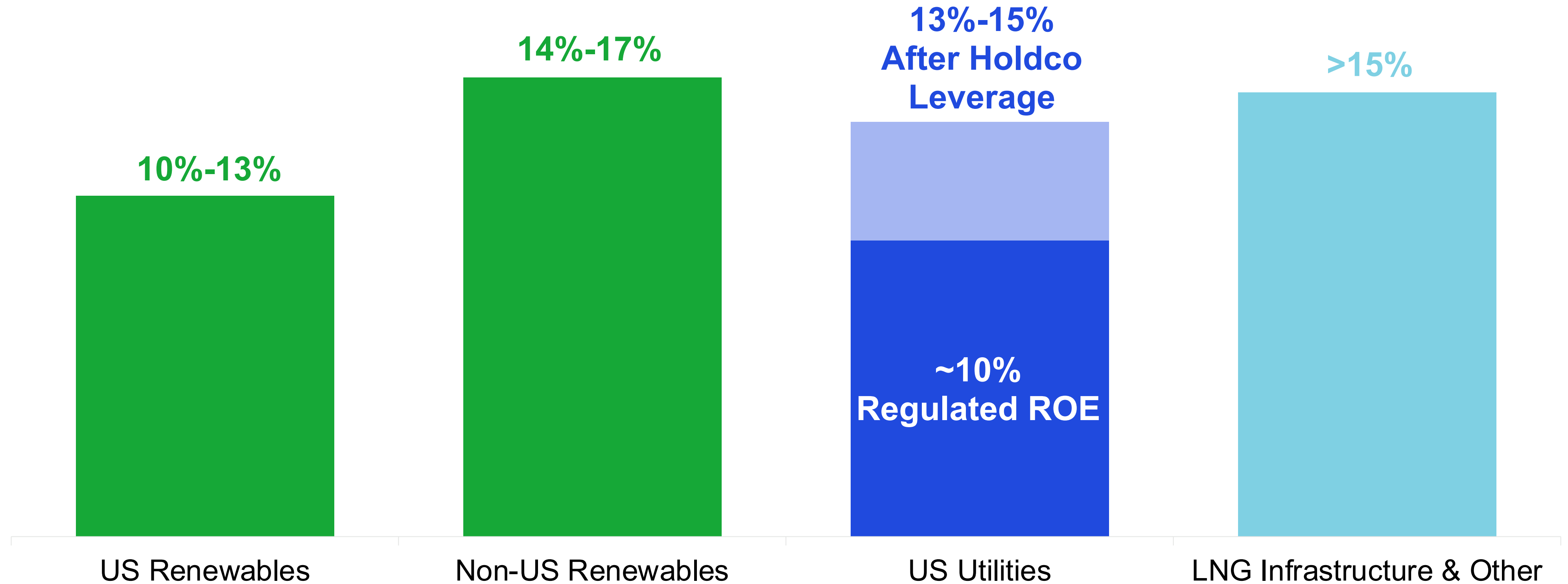
1. Represents the targeted range of after-tax returns for our development pipeline of anticipated projects, based on a number of assumptions, including commercial terms and tax rates.

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

3. Through asset sales, fuel conversions and retirements, while maintaining reliability and affordability, and subject to necessary approvals.

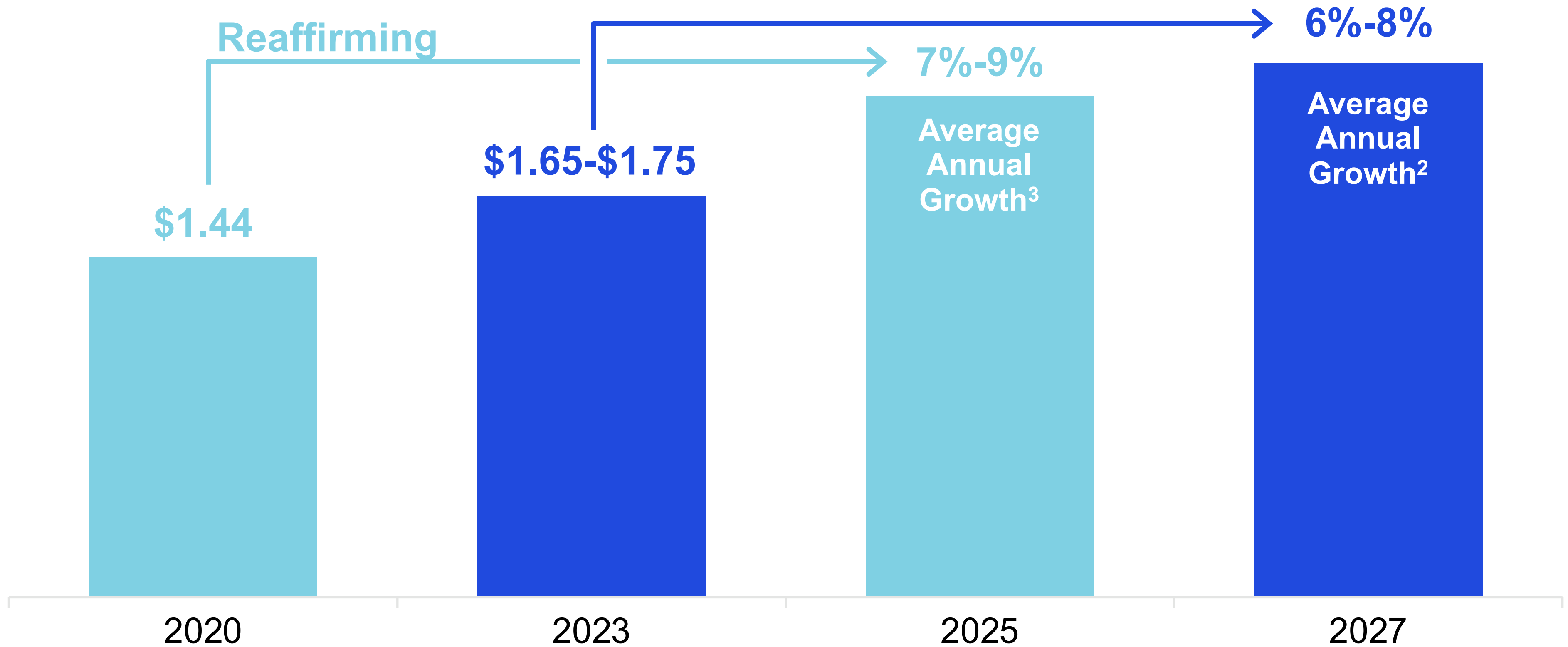
Attractive Returns¹ on Growth Investments

Targeted Levered After-Tax Returns



1. Represents the targeted range of after-tax returns for our development pipeline of anticipated projects, based on a number of assumptions, including commercial terms and tax rates.

6% to 8% Adjusted EPS¹ Annualized Growth Target Through 2027²



1. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted EPS guidance without unreasonable effort. See Appendix for definition and for a description of the adjustments to reconcile Adjusted EPS to Diluted EPS for 2022.

2. Average annual growth from a base of the mid-point of 2023 Adjusted EPS guidance of \$1.65 to \$1.75.

3. Average annual growth from a base of 2020 Adjusted EPS guidance of \$1.44.

Introducing Adjusted EBITDA¹ Metric to Add Clarity to Underlying Performance and Valuation



Metric excludes tax attributes (PTC² or ITC³); less influenced by timing of project commissionings



More closely aligned with underlying business performance and operating cash generation



Commonly used in valuing contracted renewables portfolios

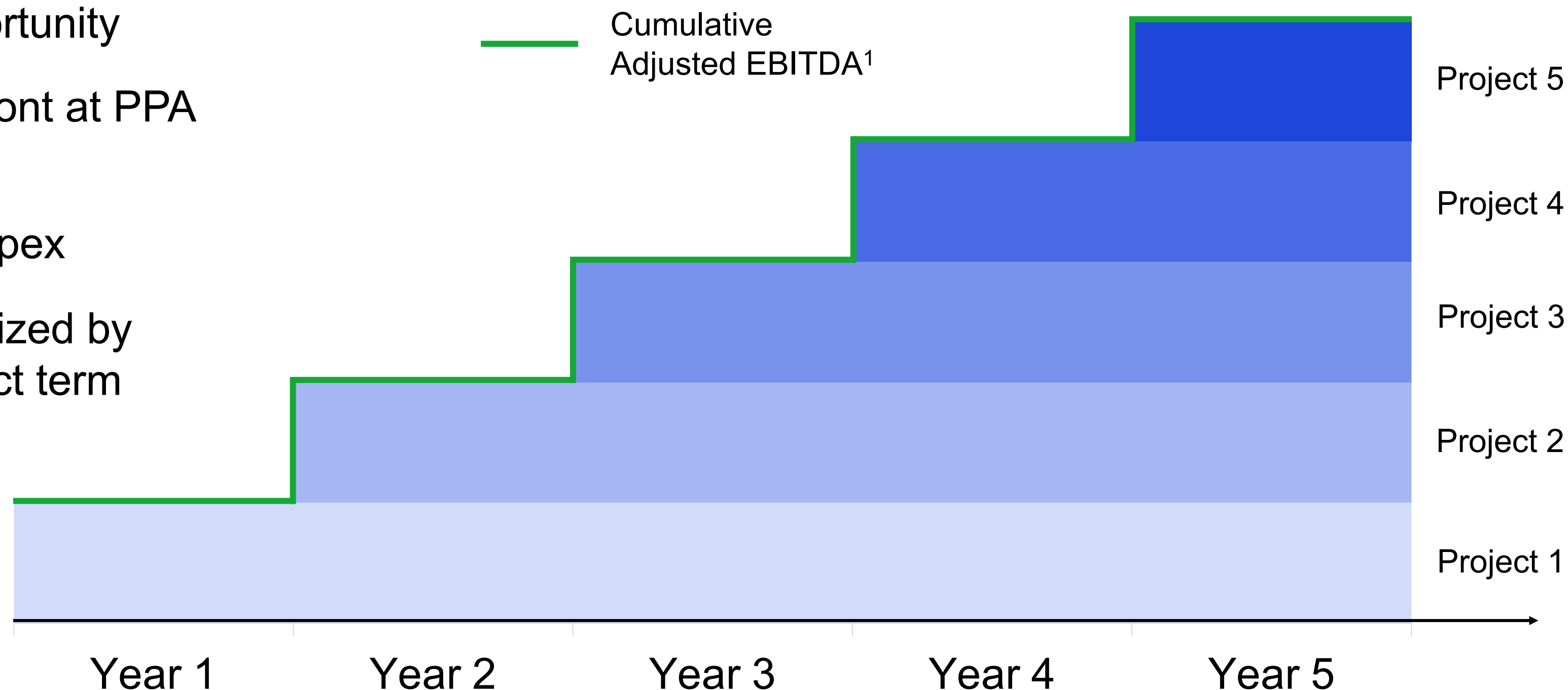
1. A non-GAAP financial measure. See Appendix for definition. Adjusted EBITDA is an ownership-adjusted metric.

2. Production Tax Credits.

3. Investment Tax Credits.

Renewable Projects Provide Predictable & Stable Adjusted EBITDA¹ that Underpins Growth



- Long duration assets, 20-year average contract life + recontracting opportunity
- Capex known upfront at PPA signing
- Minimal ongoing opex
- Debt mostly amortized by end of PPA contract term



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

Renewables Tax Attributes¹ Provide Significant Value on Top of Adjusted EBITDA²

\$ in Millions

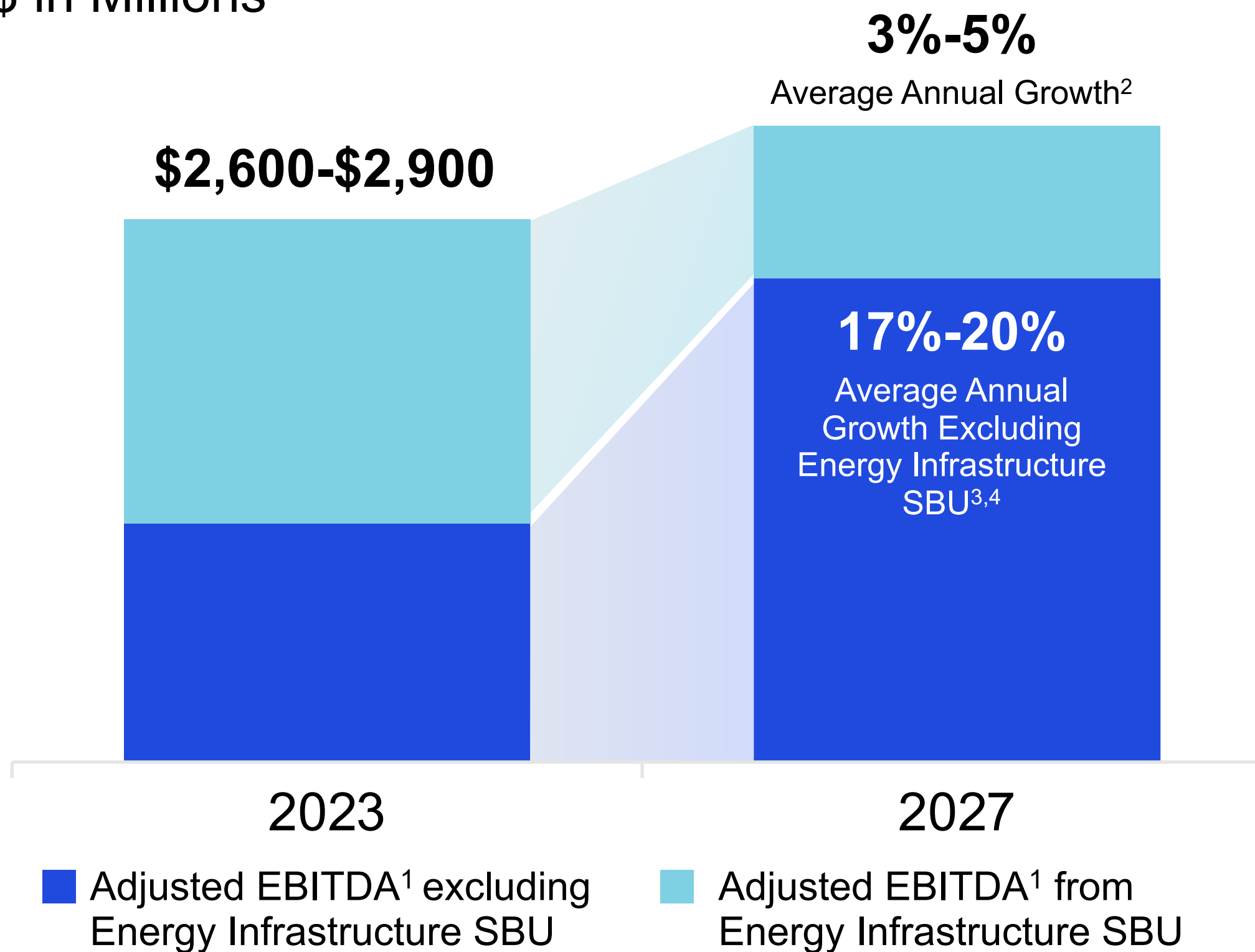
2023 Adjusted EBITDA ² Guidance	\$2,600-\$2,900	→ Adjusted EBITDA ² does not include value from Tax Attributes ¹
 Tax Attributes ¹ from ITC ³ Projects	\$490-\$540	} → Tax Attributes ¹ from US renewables projects recognized in 2023 net income
 Tax Attributes ¹ from PTC ⁴ Projects	\$10-\$20	
Adjusted EBITDA with Tax Attributes ²	\$3,100-\$3,460	

Tax Attributes¹ Will Increase Significantly as We Bring 25-30 GW of New Renewables Online Through 2027

1. Pre-tax effect of Production Tax Credits, Investment Tax Credits, and depreciation tax expense allocated to tax equity investors.
2. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted EBITDA or Adjusted EBITDA with Tax Attributes guidance without unreasonable effort. See Appendix for definition and for a description of the adjustments to reconcile Adjusted EBITDA and Adjusted EBITDA with Tax Attributes to Net Income for 2022.
3. Investment Tax Credit.
4. Production Tax Credit.

AES Adjusted EBITDA^{1,2} Growth Driven by Very High Renewables & Utilities Growth, Partially Offset by Intended Coal Exit in Energy Infrastructure

\$ in Millions

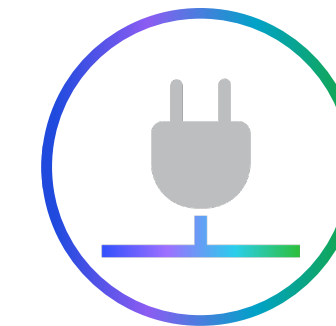


Average Annual SBU Target Growth Rates⁵ Through 2027



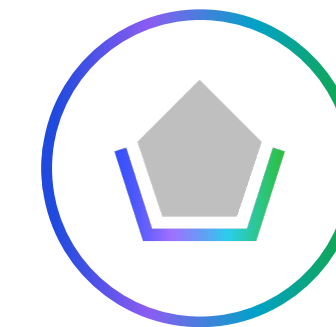
Renewables

19%-21%



Utilities

12%-14%



Energy Infrastructure

(15%)-(17%)

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 2022.

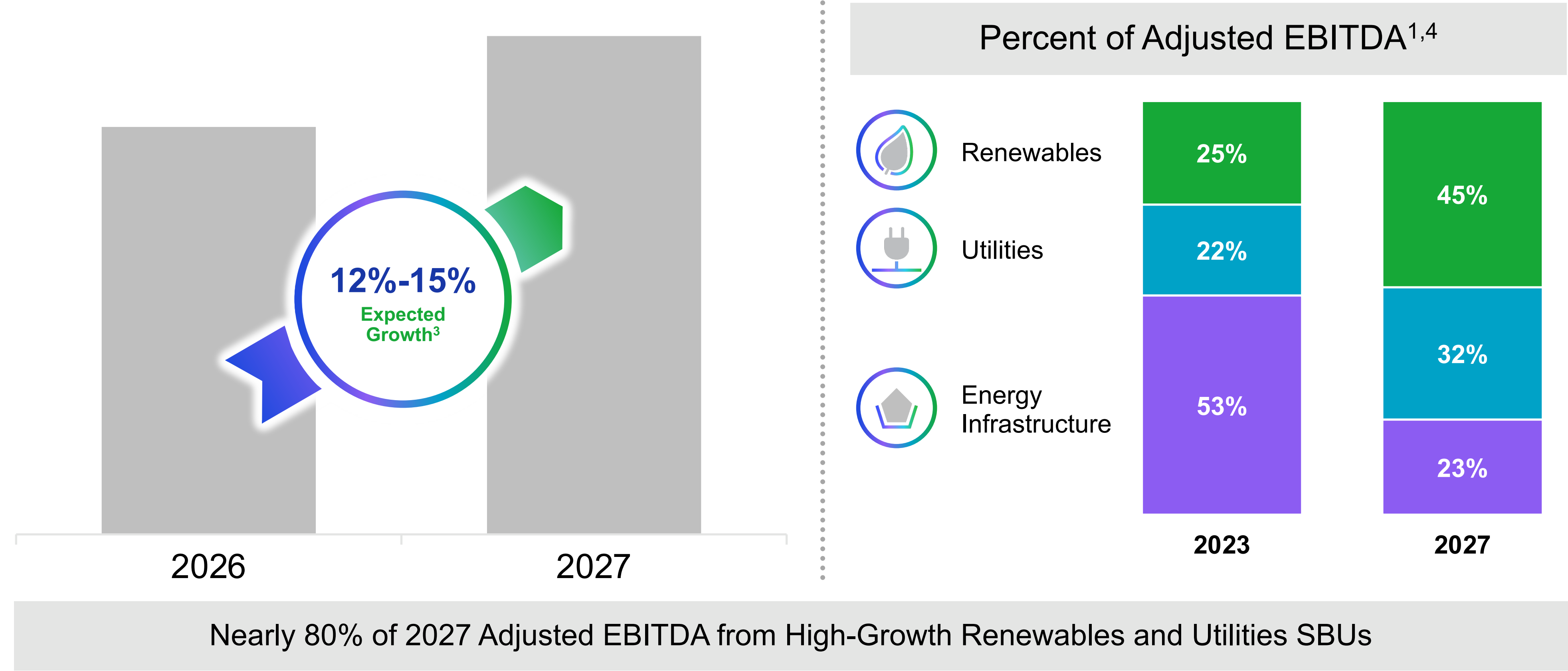
2. Average annual growth from a base of the mid-point of 2023 Adjusted EBITDA guidance of \$2,600 to \$2,900 million.

3. Average annual growth from a base of the mid-point of 2023 Adjusted EBITDA guidance of \$2,600 to \$2,900 million, excluding the mid-point of 2023 Adjusted EBITDA guidance of \$1,450 to \$1,620 million for the Energy Infrastructure SBU.

4. Strategic Business Unit.

5. From a base of the mid-point of 2023 Adjusted EBITDA guidance of \$660 to \$730 million for Renewables, \$600 to \$670 million for Utilities, and \$1,450 to \$1,620 million for Energy Infrastructure.

Double-Digit Adjusted EBITDA¹ Growth After Intended Coal Exit in 2025²



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 2022.

2. Through asset sales, fuel conversions and retirements, while maintaining reliability and affordability, and subject to necessary approvals.

3. From a base of 2026 Adjusted EBITDA.

4. Excluding New Energy Technologies and Corporate SBUs.

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25-30 GW of New Renewables and 10% Rate Base Growth at US Utilities Through 2027

Adjusted EBITDA¹ \$ 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 2022.

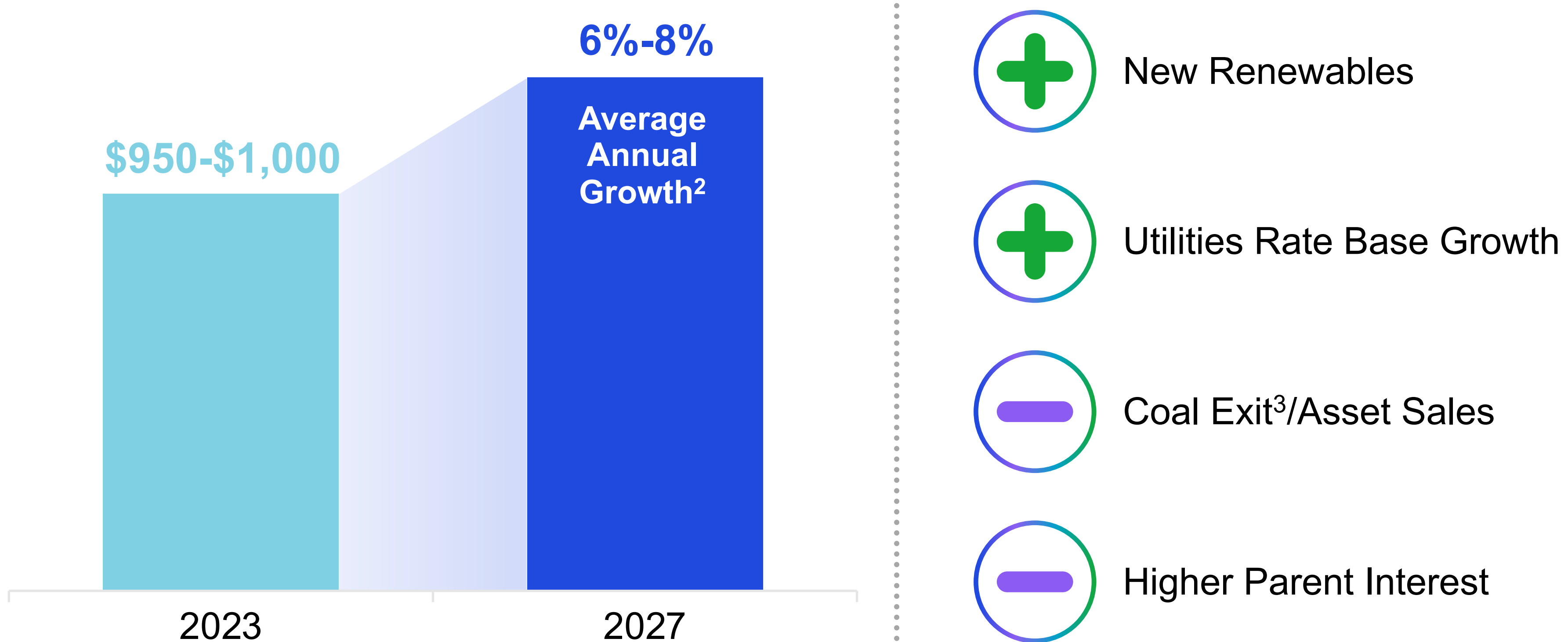
2. Includes renewables projects in Chile, currently reported as part of the Energy Infrastructure segment.

3. Our construction timeline is heavily weighted towards Q4. Projects coming online in 2027 will not contribute a full year of Adjusted EBITDA until 2028.

4. From a base of the mid-point of 2023 Adjusted EBITDA guidance of \$2,600 to \$2,900 million.

Parent Free Cash Flow¹ Expected to Grow at 6% to 8% Annually

\$ in Millions



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 guidance without unreasonable effort. See Appendix for definition and for a description of the adjustments to reconcile Parent Free Cash Flow to Net Cash Provided by Operating Activities at the Parent Company for 2022.

2. From a base of 2023 Parent Free Cash Flow guidance of \$950 to \$1,000 million.

3. Through asset sales, fuel conversions and retirements, while maintaining reliability and affordability, and subject to necessary approvals.

Capital Allocation Priorities

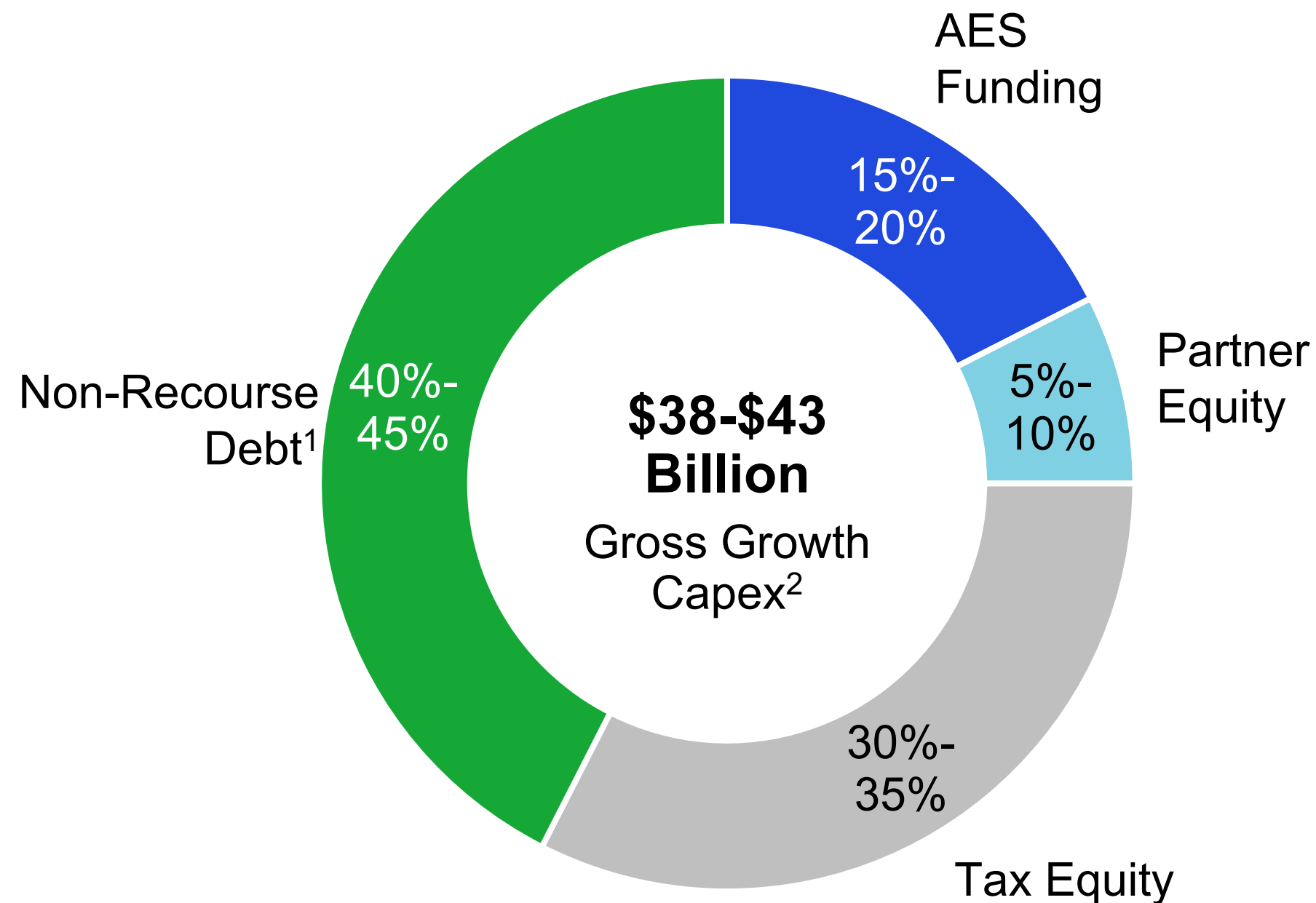
- Invest in value-accretive growth opportunities in our core markets that achieve our financial and portfolio targets
- Utilize financing structures that efficiently fund growth while maintaining our strong balance sheet
- Maintain Investment Grade credit metrics while improving credit profile
- Recycle capital from renewable sell-downs to increase returns and support higher growth
- Grow dividend 4% to 6% annually¹

1. Subject to Board approval.



Multiple Financing Structures Reduce AES Funding Requirements for Growth Investments

\$ in Billions



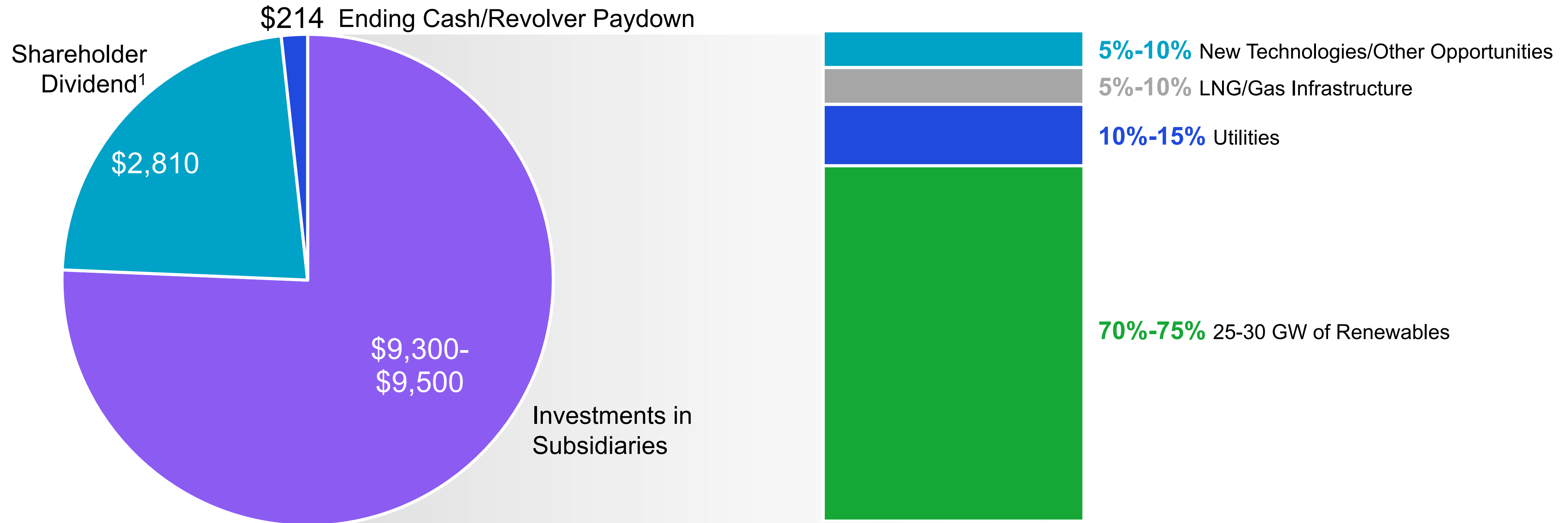
- Overall, AES will fund 15%-20% of growth capex² needs with Parent equity
- Project debt is non-recourse to AES Corp.
- Tax Equity partnerships allow us to monetize US renewable tax attributes
- Use of development partnerships reduces AES' upfront equity requirements
- >85% of growth capex² in the US

1. Combination of subsidiary project and corporate debt. Project debt typically amortizing over life.

2. Portion of capital expenditures spent on growth investments. Excludes investments into subsidiaries that are not consolidated. \$34 to \$38 billion to be invested in renewables, including the renewables portion of our green hydrogen JV and \$3.5 to \$4.5 to be invested in utilities.

80%-90% of Parent Investments Allocated to Renewables & Utilities from 2023-2027

\$ in Millions

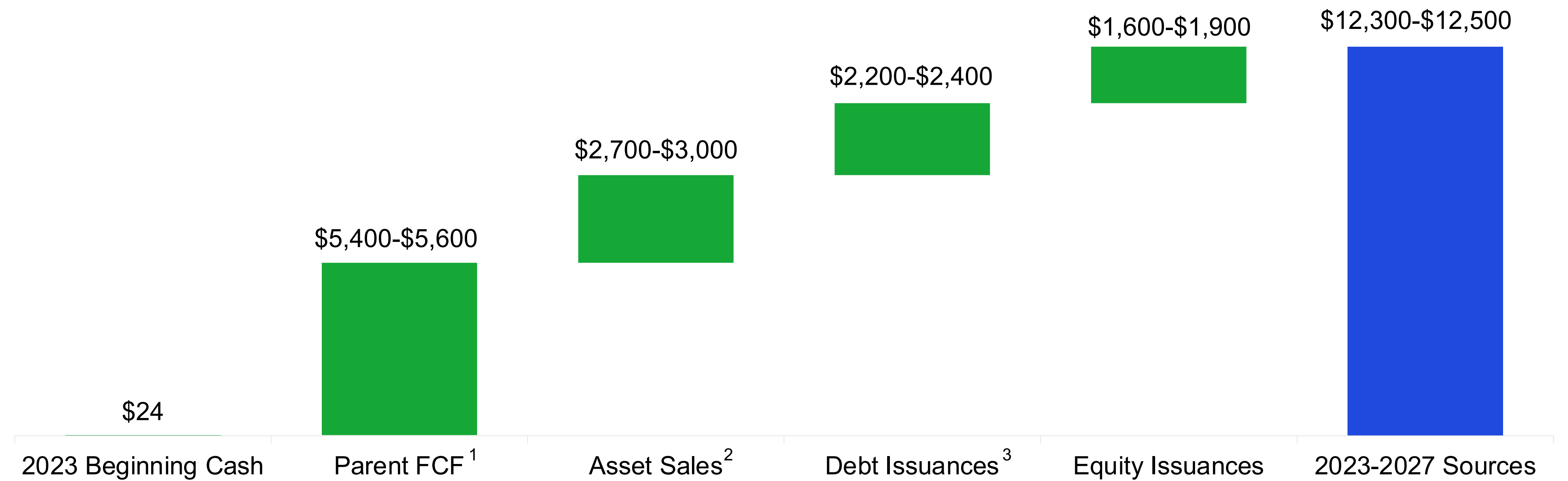


~80% of Investment Expected to be in the US

1. Assumes 2023 payment of \$0.1659 per share each quarter on 669 million shares outstanding as of December 31, 2022 plus additional planned equity issuances, growing at 4%-6% per year through 2027, subject to Board approval. Also includes 6.875% coupon on \$1 billion of equity units issued in March 2021, as well as planned hybrid issuances.

Internally Generated Cash and Asset Sale Proceeds Fund Two-Thirds of Parent Cash Needs

\$ in Millions



1. A non-GAAP financial measure. See Appendix for reconciliation and definition. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Parent Free Cash Flow expectation without unreasonable effort.
2. Announced sell-downs of US renewables, Jordan, and unannounced asset sales.
3. Includes debt-like hybrid instruments

Value Proposition

→ Compelling Total Shareholder Return

- 6% to 8% average annual growth target for Adjusted EPS¹ and Parent Free Cash Flow¹ through 2027²
- 12% to 15% Adjusted EBITDA^{3,4} growth after intended coal exit in 2025⁵
- 4% to 6% annual dividend growth⁶

→ Highly attractive portfolio with long-term growth visibility

- Long-term contracted renewables and utilities with high quality returns will represent ~80% of portfolio mix
- Investment grade rated portfolio with further improving credit profile
- ~80% of Parent equity allocated to the US
- Efficient and plentiful capital sources to fund high growth



1. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted EPS and Parent Free Cash Flow guidance without unreasonable effort. See Appendix for definition and a description of the adjustments to reconcile Adjusted EPS to diluted EPS for 2022.

2. From a base of the mid-point of 2023 Adjusted EPS Guidance of \$1.65 to \$1.75 and 2023 Parent Free Cash Flow Guidance of \$950 to \$1,000 million.

3. 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 2022.

4. From a base of 2026 Adjusted EBITDA.

5. Through asset sales, fuel conversions and retirements, while maintaining reliability and affordability, and subject to necessary approvals.

6. Subject to Board approval.

Closing Remarks

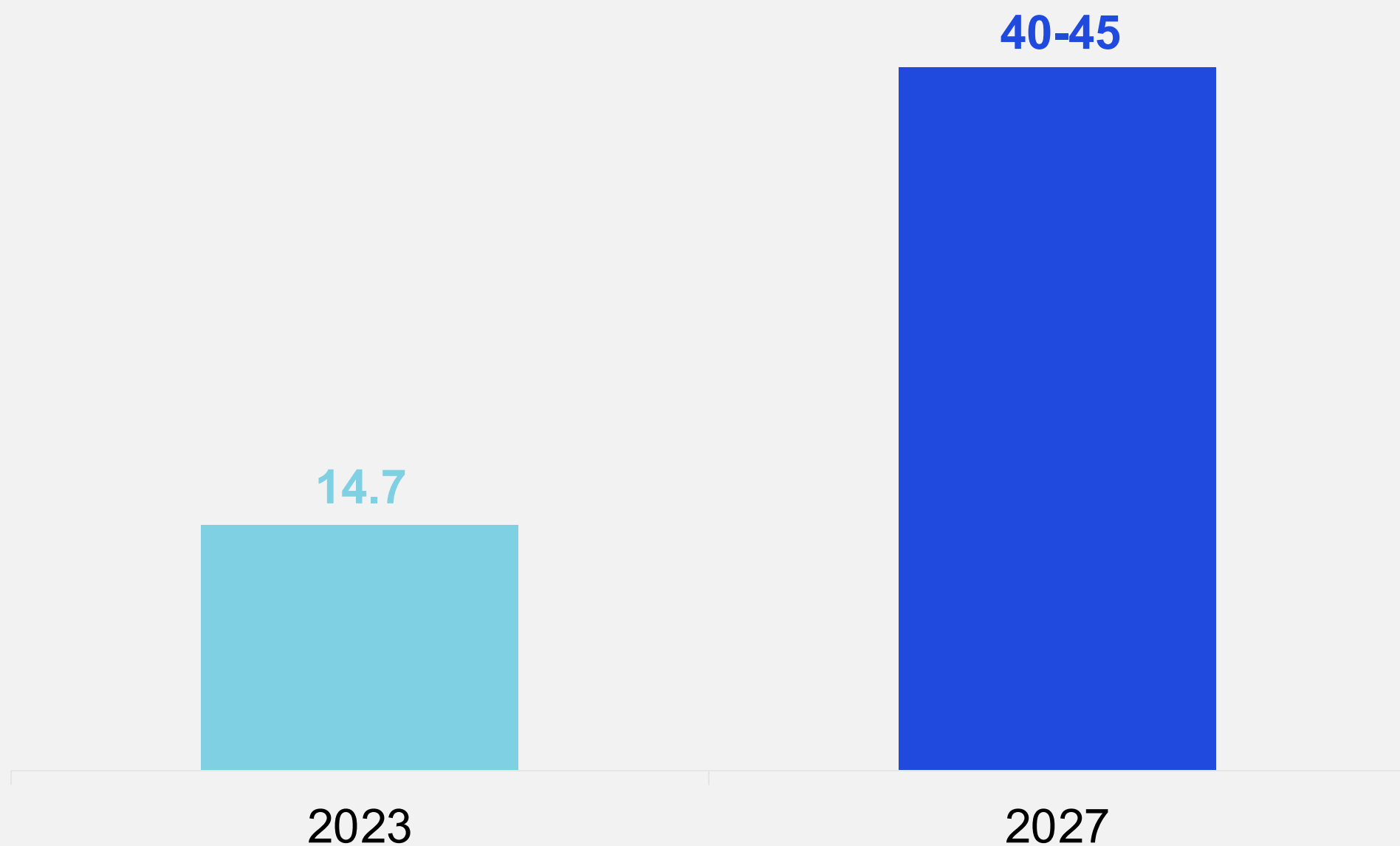
Andrés Gluski | President & Chief
Executive Officer



AES is Among the Fastest Growing Renewables & US Utilities Businesses

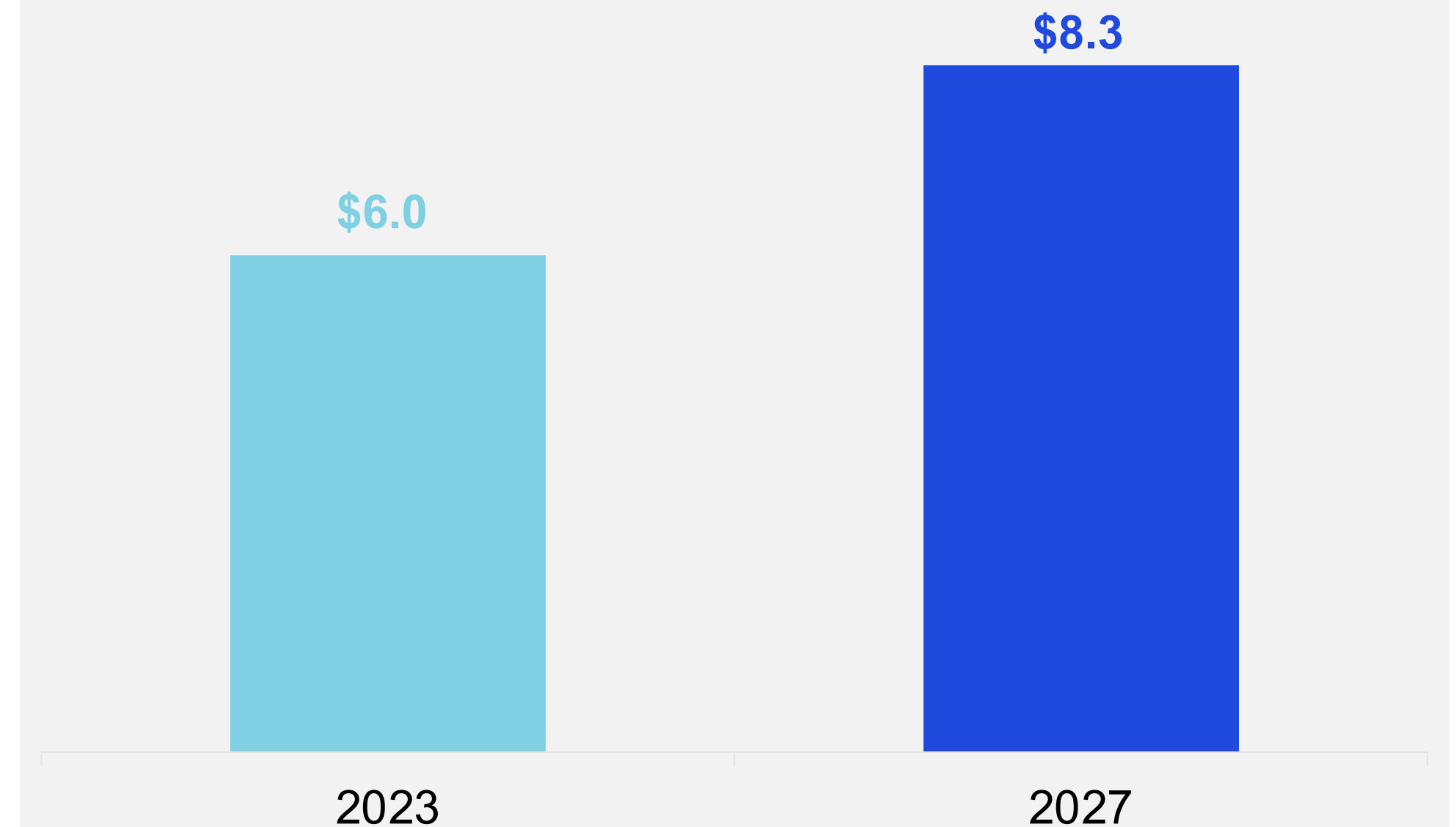
3x Growth in Renewables Capacity

Capacity in GW

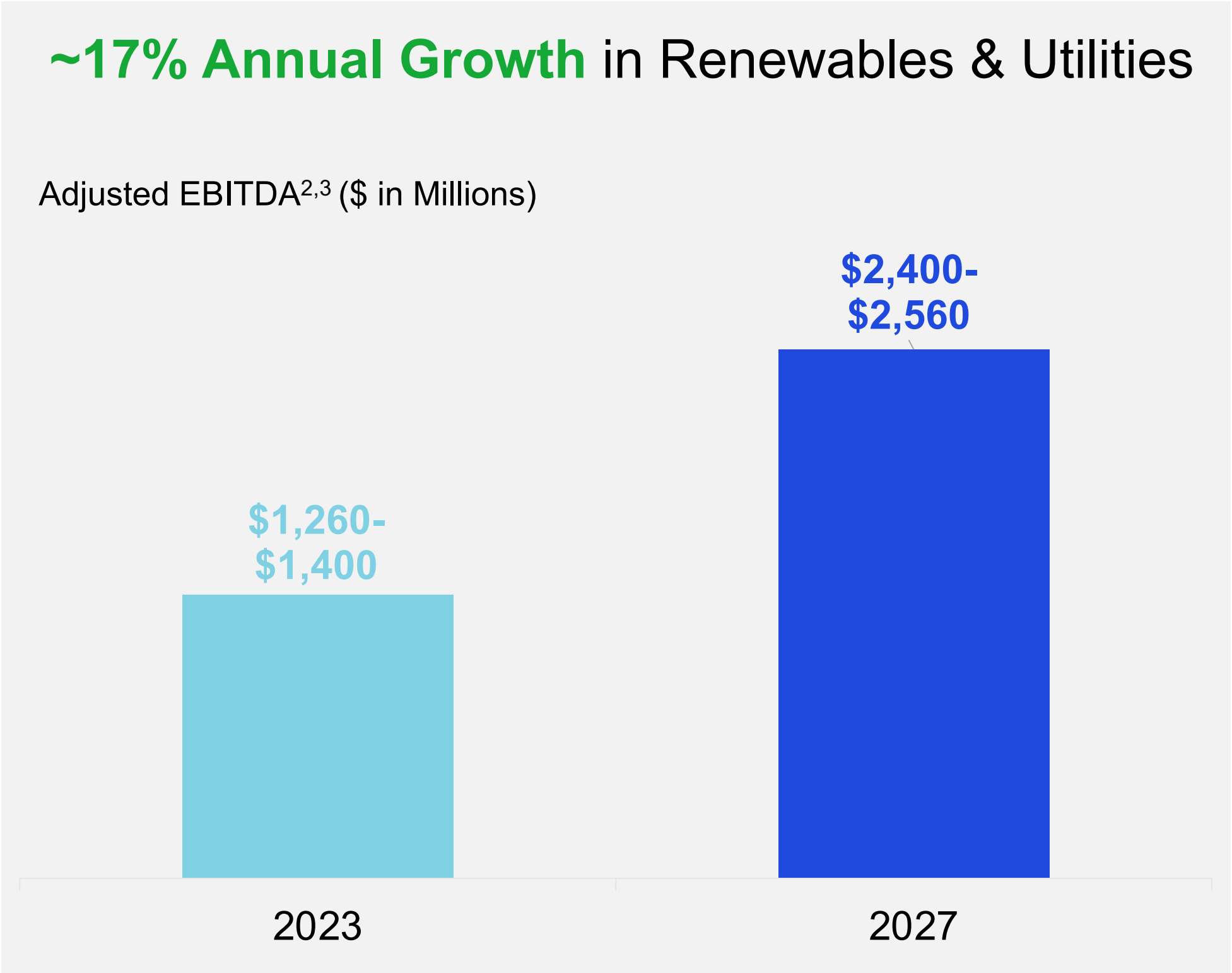
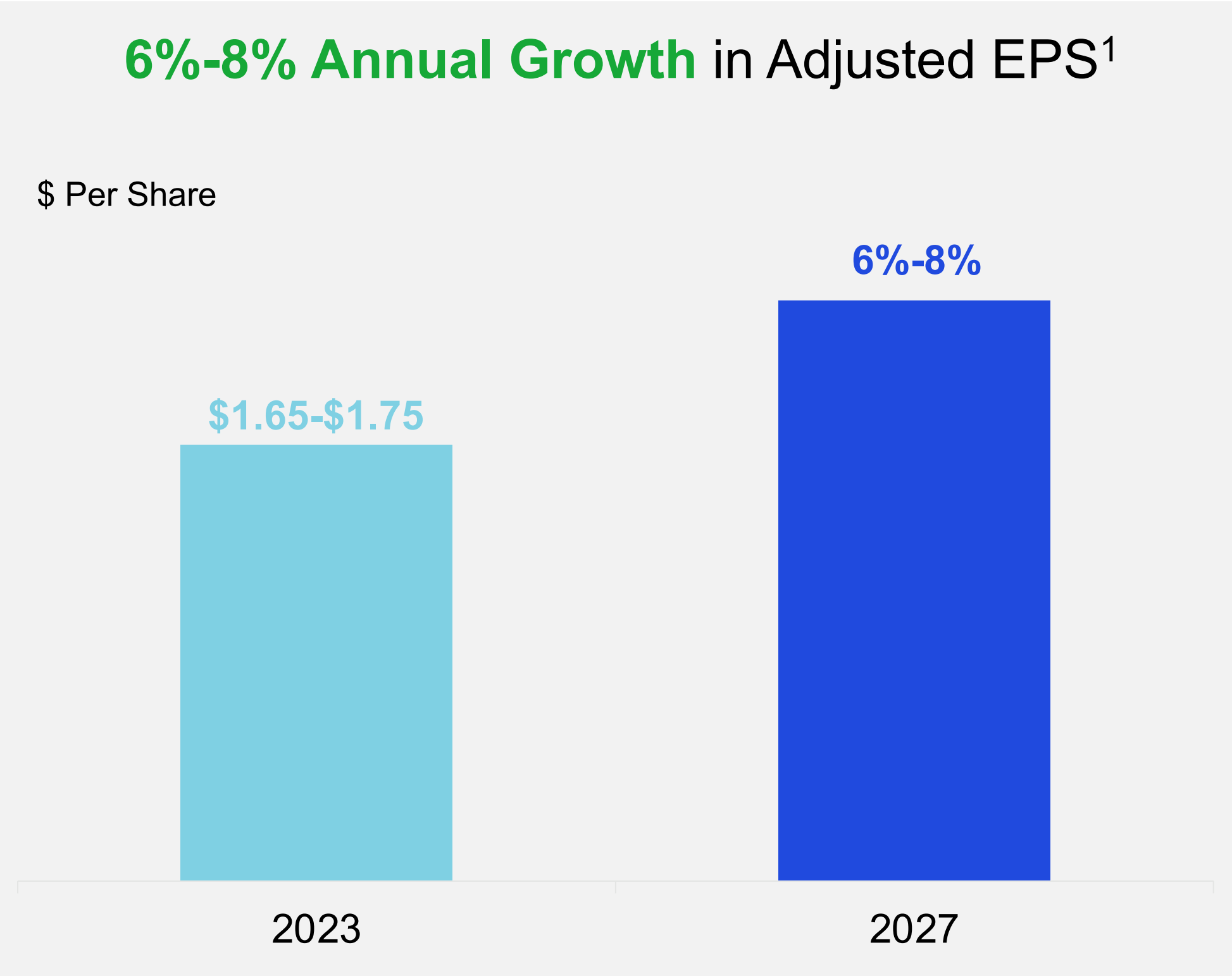


10% CAGR in US Utilities Rate Base

\$ in Billions



Substantial Growth in AES' Core Businesses



1. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted EPS guidance without unreasonable effort. See Appendix for definition and for a description of the adjustments to reconcile Adjusted EPS to Diluted EPS for 2022. Average annual growth from a base of 2023 Adjusted EPS guidance of \$1.65 to \$1.75.

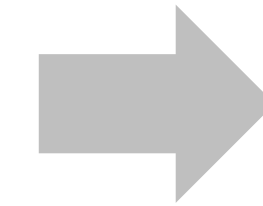
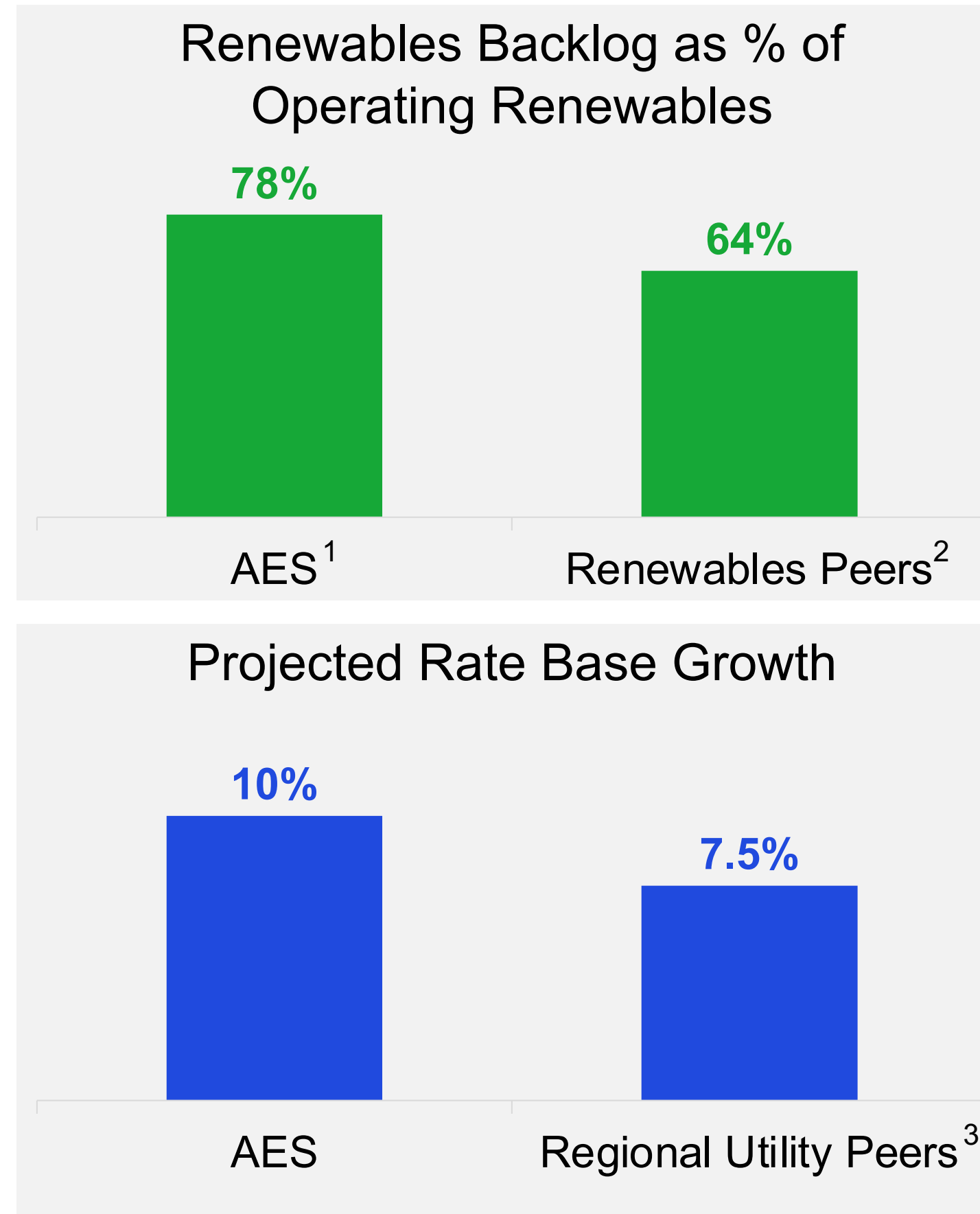
2. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted EBITDA guidance without unreasonable effort. See Appendix for definition and for a description of the adjustments to reconcile Adjusted EBITDA to Net Income for 2022.

3. From a base of the mid-point of 2023 Adjusted EBITDA guidance of \$660 to \$730 million for Renewables, \$600 to \$670 million for Utilities, and \$1,450 to \$1,620 million for Energy Infrastructure, respectively.

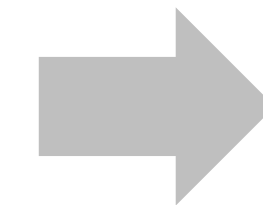
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AES is Undervalued Relative to Peers

**AES'
Renewables &
US Utilities
Growing
Significantly
Faster than
Industry Peers**



aes
EV/EBITDA Multiple⁴
10x



aes
P/E Multiple⁴
13x








1. AES renewables backlog as of December 31, 2022 was 11.5 GW and operating renewables was 14.7 GW.
 2. Renewables peer group includes NextEra, Brookfield Renewables, Orsted, EDPR, and Avangrid. Source: Individual company disclosures as of December 31, 2022.
 3. Regional utility peer group includes First Energy, Duke, NiSource, AEP, and CMS. Source: Individual company disclosures as of December 31, 2022.
 4. See Appendix for calculation of AES' EV/EBITDA and P/E multiples. Based on 2023 Adjusted EBITDA with Tax Attributes guidance.

Accelerating the future of energy, together.



Appendix

Leader in ESG

	Scale		Industry Average
 Member of Dow Jones Sustainability Indices <small>Powered by the S&P Global CSA</small>	0-100 (Best) Percentile	77 (Top Decile in Sector)	31
 FTSE4Good	0-5 (Best)	3.2	2.7
	1 (Best)-10 Ranking	E=1, S=2, G=3	N/A
 DRIVING SUSTAINABLE ECONOMIES	Letter Grade	Climate: B Water: B	Climate: B Water: B
	Letter Grade and 0-10 (Best) Score	AA 7.3	5.9
	0 (Best)-100	38 th	Electric Utilities

Value Maximization Through Coal Exit

Capacity in MW





Plan for 7.1 GW¹ of Remaining Coal to be Retired, Sold or Converted² by Year-End 2025

Plant	Location	Gross MW	Comments
Ventanas 2 (AES Andes)	Chile	208	Announced Retirement/Potential Conversion
Petersburg 2 (AES Indiana)	US-IN	415	Announced Retirement
Warrior Run	US-MD	205	Announced Retirement/Potential Conversion
Total 2023		828	
Ventanas 3 (AES Andes)	Chile	267	Announced Retirement/Potential Conversion
Ventanas 4 (AES Andes)	Chile	272	Announced Retirement/Potential Conversion
Angamos (AES Andes)	Chile	558	Announced Retirement/Potential Conversion
Petersburg 3&4 (AES Indiana)	US-IN	1,064	Announced Conversion
Total 2025		2,161	
Mong Duong 2	Vietnam	1,242	To be Announced
AES Puerto Rico	US-PR	524	To be Announced
Cochrane (AES Andes)	Chile	550	To be Announced
Norgener (AES Andes)	Chile	276	To be Announced
San Nicolas (AES Argentina)	Argentina	350	To be Announced
Maritza	Bulgaria	690	To be Announced
TEG-TEP	Mexico	550	To be Announced
Total 2025 to be Announced		4,182	
Total		7,171	

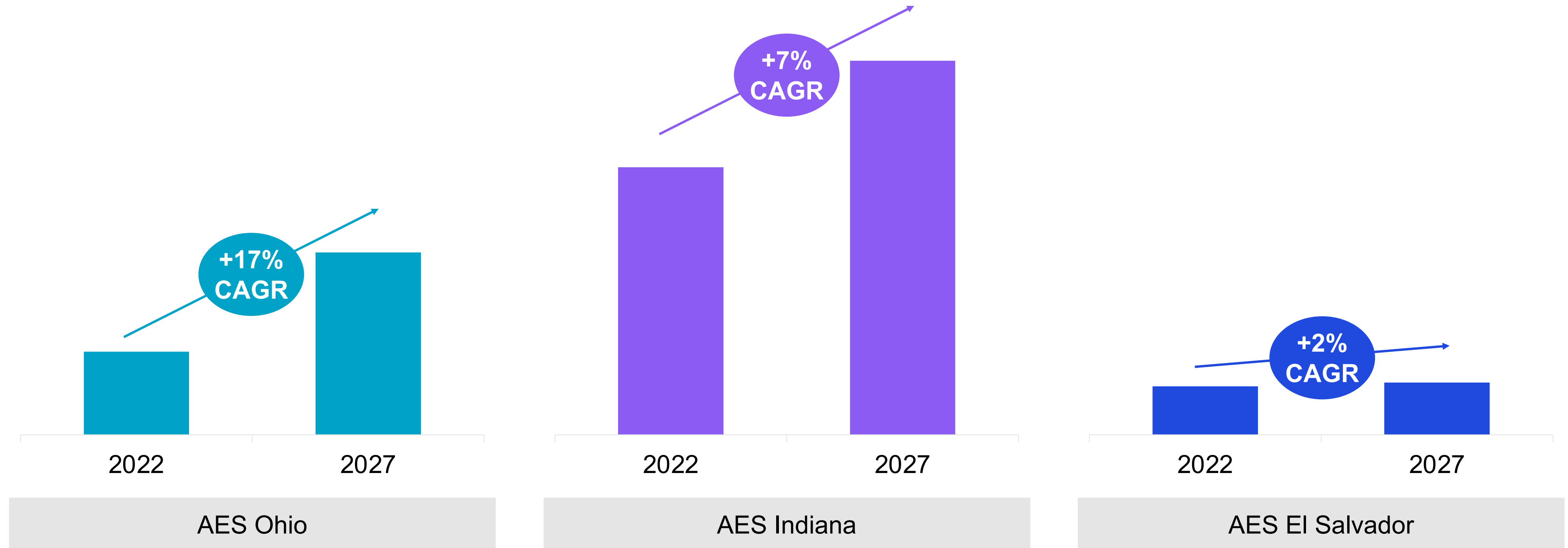
1. Includes 550 MW of pet coke and 1.5 GW of coal at AES Indiana.
2. While maintaining reliability and affordability, and subject to necessary approvals.

Constructive Regulatory Frameworks for Our US Utilities

	 Indiana	 Ohio
Appointed Commissioners	✓	✓
Forward Test Years	Allowed	✓
Renewable Investment Rider	✓	N/A
Transmission Investment Rider or Formula Rates	✓	✓
Distribution Investment Rider	✓	✓
Advanced/Smart Grid Investment Rider		✓
Fuel or Purchased Power Recovery Mechanism	✓	✓
Rider or Balancing Account for Storms, Vegetation Management & PJM/MISO Costs	✓	✓

Investment Plan Yields Rate Base Growth of 9%, Well Above the Industry Average

Rate Base, \$ in Millions



Note: Total rate base growth includes maintenance capex, which is largely offset by depreciation.

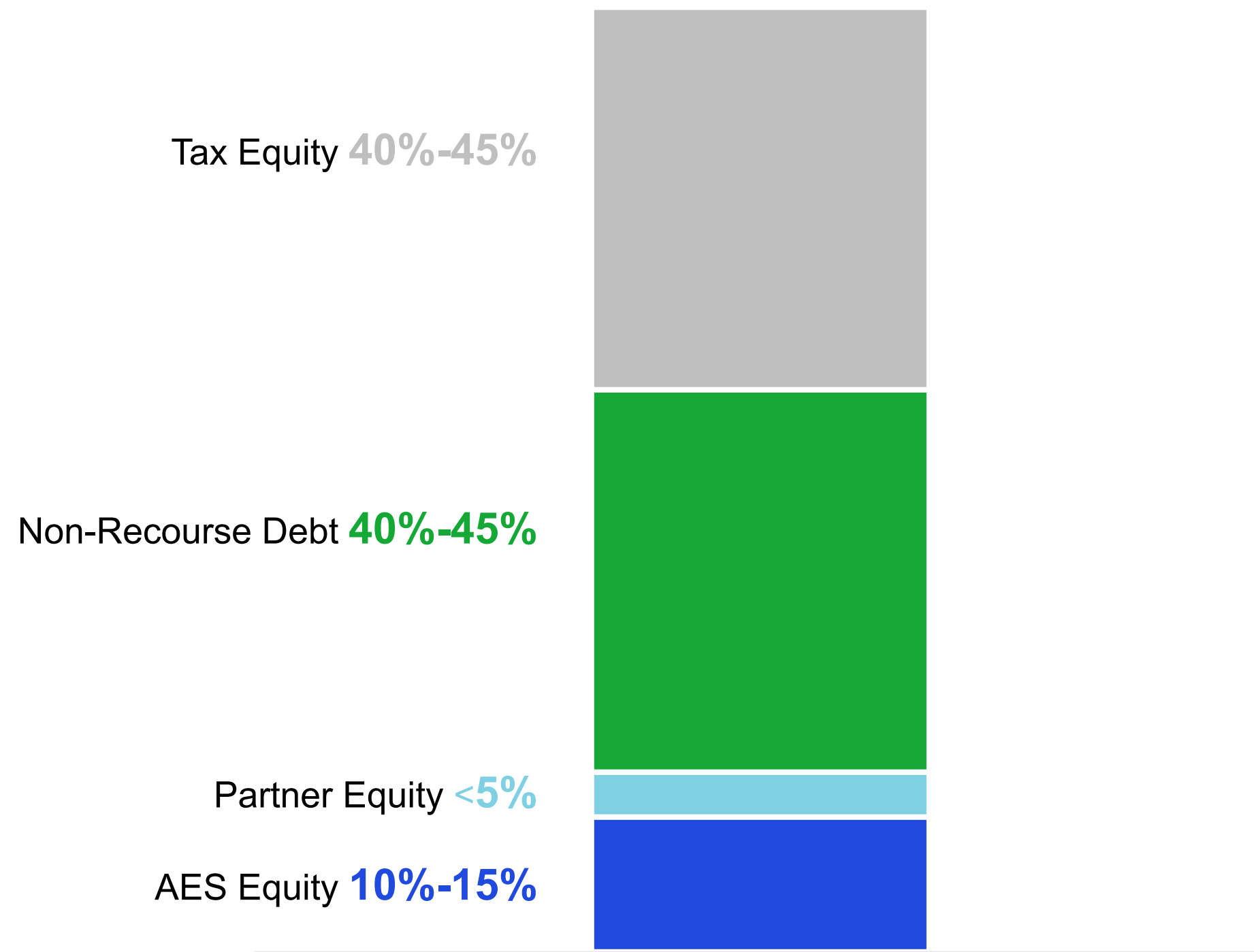
2023 SBU Modeling Ranges

\$ in Millions	2022 Adjusted EBITDA ¹	2023 Adjusted EBITDA ¹ Modeling Ranges as of 5/8/23	Drivers of Growth Versus 2022
Renewables	\$605	\$660-\$730	+ New projects - Sell-downs
Utilities	\$612	\$600-\$670	+ Prior year one-time expenses at US utilities + Prior year outage at AES Indiana + Rate base growth - Weather
Energy Infrastructure	\$1,836	\$1,450-\$1,620	- Lower LNG sales - Lower coal margins - Asset sales + Prior year outages at Southland and Chile coal + Prior year one-time expenses in Argentina + Commercial optimization
Total SBUs (excluding New Energy Technologies)	\$3,053	\$2,710-\$3,020	
New Energy Technologies/ Corporate	(\$122)	(\$110)-(\$120)	+ Mostly flat year-over-year
Adjusted EBITDA ¹	\$2,931	\$2,600-\$2,900	

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 2022.

Tax Equity Partnerships Allow for Efficient Capital Structures for US Renewables

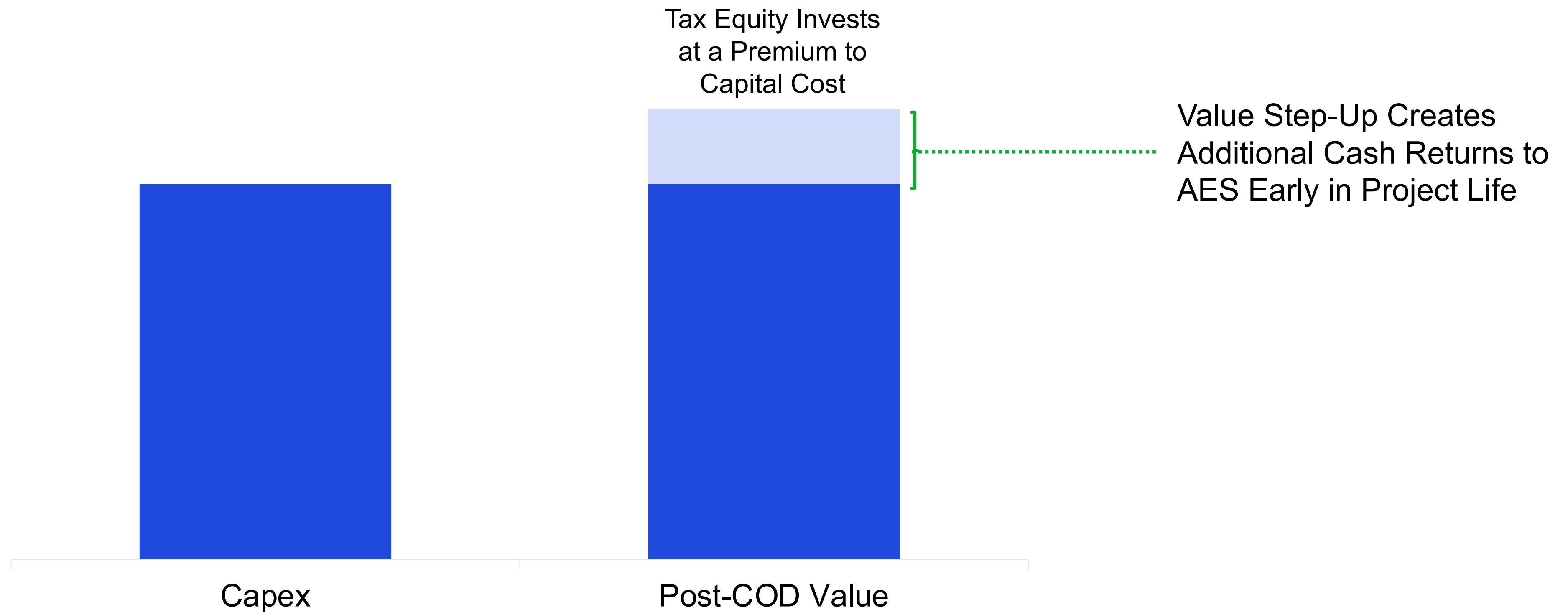
% of Growth Capex¹



- Tax equity contribution based on fair value; premium to capital cost
 - IRA created enhanced tax value, driving up tax equity share
 - Drives additional cash value to AES early in project life
- Tax equity target return is earned primarily through the monetization of a project's tax attributes



1. Portion of capital expenditures spent on growth investments.

Tax Attributes¹ Facilitate an Important Source of Capital and Create Value



1. Pre-tax effect of Production Tax Credits, Investment Tax Credits, and depreciation tax expense allocated to tax equity investors

New Segments Position AES to Capture the Value of the Energy Transition

	Renewables	Utilities	Energy Infrastructure	New Energy Technologies
				
Scale	<ul style="list-style-type: none"> → 13 GW of operating assets¹ → 25-30 GW of new projects from 2023-27 	<ul style="list-style-type: none"> → 2.6 million customers → \$5.3 billion combined US rate base; growing at 10% annually through 2027 	<ul style="list-style-type: none"> → 15 GW of operating assets → Intent to exit 7.1 GW of coal assets by 2025⁴ 	<ul style="list-style-type: none"> → Fluence: \$10 billion revenue pipeline → Additional value from Uplight, 5B, Motor, and other businesses
Core Markets	→ US, Chile, Brazil, Mexico	→ Indiana, Ohio, El Salvador	→ US, Chile, Mexico, Vietnam	→ US, Chile, Brazil
Financials	<ul style="list-style-type: none"> → \$660-\$730 million 2023 Adjusted EBITDA² → 19%-21% average annualized growth through 2027³ 	<ul style="list-style-type: none"> → \$600-\$670 million 2023 Adjusted EBITDA² → 12-14% average annualized growth through 2027³ 	<ul style="list-style-type: none"> → \$1,450-\$1,620 million 2023 Adjusted EBITDA² → Adjusted EBITDA² declines as we proceed with our intent to exit coal⁴ 	<ul style="list-style-type: none"> → Valuation upside from minimal upfront investment → Green Hydrogen expected to contribute Adjusted EBITDA² in 2027 and beyond

1. Excludes 2 GW of renewables in Chile, which are accounted for in the Energy Infrastructure SBU.

2. 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 2022.

3. From a base of the mid-point of 2023 Adjusted EBITDA guidance of \$660 to \$730 million for Renewables, \$600 to \$670 million for Utilities, and \$1,450 to \$1,620 million for Energy Infrastructure.

4. Through asset sales, fuel conversions and retirements, while maintaining reliability and affordability, and subject to necessary approvals.

New Segments Position AES to Capture the Value of the Energy Transition

	Renewables	Utilities	Energy Infrastructure	New Energy Technologies	Corporate
US & Utilities	<div>→ AES Clean Energy</div> <div>→ Puerto Rico Renewables</div>	<div>→ AES Indiana</div> <div>→ AES Ohio</div> <div>→ El Salvador utilities</div>	<div>→ Southland</div> <div>→ Warrior Run</div> <div>→ Puerto Rico thermal</div>		
South America	<div>→ Colombia</div> <div>→ AES Brasil</div> <div>→ Argentina renewables</div>		<div>→ Chile</div> <div>→ Argentina thermal</div>		
MCAC	<div>→ MCAC renewables</div>		<div>→ MCAC thermal</div>		
Eurasia	<div>→ Kavarna</div> <div>→ Eurasia energy storage</div>		<div>→ Mong Duong</div> <div>→ Jordan</div> <div>→ Maritza</div>		
Corporate & Other				<div>→ AES Next</div>	<div>→ Corporate & Other</div>

Reconciliation of Parent Free Cash Flow¹

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

1. 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.


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. Subsidiary Distributions should not be construed as an alternative to Consolidated Net Cash Provided by Operating Activities, which is determined in accordance with US 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.

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.

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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 2022 Adjusted PTC¹ and Adjusted EPS¹

\$ in Millions, Except Per Share Amounts	FY 2022	
	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	(\$546)	(\$0.77)
Income Tax Expense (Benefit) from Continuing Operations Attributable to AES	\$210	
Pre-Tax Contribution	(\$336)	
Adjustments		
Unrealized Derivative and Equity Securities Losses (Gains)	\$128	\$0.18 ³
Unrealized Foreign Currency Losses	\$42	\$0.07 ⁴
Disposition/Acquisition Losses	\$40	\$0.06 ⁵
Impairment Losses	\$1,658	\$2.33 ⁶
Loss on Extinguishment of Debt	\$35	\$0.05 ⁷
Less: Net Income Tax Benefit	-	(\$0.25) ⁸
Adjusted PTC ¹ & Adjusted EPS ¹	\$1,567	\$1.67

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

2. NCI is defined as Noncontrolling Interests.

3. Amount primarily relates to unrealized losses on power swaps at Southland Energy of \$109 million, or \$0.15 per share.

4. Amount primarily relates to unrealized foreign currency losses in Argentina of \$39 million, or \$0.05 per share, mainly associated with the devaluation of long-term receivables denominated in Argentine pesos.

5. Amount primarily relates to costs on disposition of AES Gilbert, including the recognition of an allowance on the sales-type lease receivable, of \$10 million, or \$0.01 per share, and a day-one loss recognized at commencement of a sales-type lease at AES Waikoloa Solar of \$5 million, or \$0.01 per share.

6. Amount primarily relates to goodwill impairments at AES Andes of \$644 million, or \$0.91 per share, and at AES El Salvador of \$133 million, or \$0.19 per share, other-than-temporary impairment at sPower of \$175 million, or \$0.25, as well as long-lived asset impairments at Maritza of \$468 million, or \$0.66 per share, at TEG TEP of \$191 million, or \$0.27 per share, and at Jordan of \$28 million, or \$0.04 per share.

7. Amount primarily relates to losses on early retirement of debt due to refinancing at AES Renewable Holdings of \$12 million, or \$0.02 per share, at AES Clean Energy of \$5 million, or \$0.01 per share, at Mong Duong of \$4 million, or \$0.01 per share, and at TEG TEP of \$4 million, or \$0.01 per share.

8. Amount primarily relates to the income tax benefits associated with the impairment at Maritza of \$48 million, or \$0.07 per share, the income tax benefits associated with the other-than-temporary impairment at sPower of \$39 million, or \$0.06 per share, the income tax benefits associated with the impairment at TEG TEP of \$34 million, or \$0.05, and the income tax benefits associated with the unrealized losses on power swaps at Southland Energy of \$24 million, or \$0.03 per share.



Reconciliation of 2020-2022 Adjusted EBITDA¹ and 2022 Adjusted EBITDA with Tax Attributes¹

\$ in Millions	2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2021	2020
Net Income	(\$505)	(\$986)	\$446	(\$136)	\$171	(\$951)	\$152
Income Tax Expense	\$265	\$79	\$145	(\$19)	\$60	(\$133)	\$216
Interest Expense	\$1,117	\$304	\$276	\$279	\$258	\$911	\$1,038
Interest Income	(\$389)	(\$119)	(\$100)	(\$95)	(\$75)	(\$298)	(\$268)
Depreciation and Amortization	\$1,053	\$253	\$286	\$264	\$270	\$1,056	\$1,068
EBITDA	\$1,541	(\$469)	\$1,033	\$293	\$684	\$585	\$2,206
Less: Income from discontinued operations	-	-	-	-	-	(\$4)	(\$3)
Less: Adjustment for Noncontrolling Interests and Redeemable Stock of Subsidiaries ¹	(\$704)	(\$218)	(\$172)	(\$158)	(\$155)	(\$47)	(\$798)
Less: Income Tax Expense (Benefit), Interest Expense (Income) and Depreciation and Amortization from Equity Affiliates	\$126	\$33	\$36	\$23	\$34	\$123	\$153
Interest Income Recognized Under Service Concession Arrangements	\$77	\$19	\$19	\$19	\$19	\$82	\$87
Unrealized Derivative and Equity Securities Losses (Gains)	\$131	\$131	(\$8)	(\$34)	\$42	(\$4)	\$12
Unrealized Foreign Currency Losses (Gains)	\$42	\$19	\$3	\$39	(\$19)	\$14	(\$9)
Disposition/Acquisition Losses	\$40	\$4	\$4	\$23	\$9	\$863	\$112
Impairment Losses	\$1,658	\$1,161	\$16	\$480	\$1	\$1,153	\$928
Loss on Extinguishment of Debt	\$20	\$13	\$1	-	\$6	\$71	\$184
Net gains from early contract terminations at Angamos	-	-	-	-	-	(\$256)	(\$182)
Total Adjusted EBITDA	\$2,931	\$693	\$932	\$685	\$621	\$2,580	\$2,690
Tax Attributes ²	\$267	\$157	\$61	\$36	\$13	\$273	\$207
Total Adjusted EBITDA with Tax Attributes	\$3,198	\$850	\$993	\$721	\$634	\$2,853	\$2,897

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

2. Pre-tax effect of Production Tax Credits, Investment Tax Credits, and depreciation tax expense allocated to tax equity investors

Adjusted EBITDA¹ by SBU²

	2020	2021	2022				2022
			Q1	Q2	Q3	Q4	
Adjusted EBITDA ¹							
Renewables	\$528	\$545	\$119	\$162	\$195	\$129	\$605
Utilities	\$618	\$633	\$184	\$135	\$137	\$156	\$612
Energy Infrastructure	\$1,612	\$1,494	\$354	\$379	\$620	\$483	\$1,836
New Energy Technologies	(\$18)	(\$77)	(\$35)	(\$26)	(\$27)	(\$28)	(\$116)
Total SBUs	\$2,740	\$2,595	\$622	\$650	\$925	\$739	\$2,937
Corporate	(\$50)	(\$15)	(\$1)	\$35	\$7	(\$46)	(\$6)
Adjusted EBITDA ¹	\$2,690	\$2,580	\$621	\$685	\$932	\$693	\$2,931

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

2. Strategic Business Unit.

AES Multiple Calculations

Enterprise Value/EBITDA	2023
Equity Market Capitalization ¹	\$15.2
Proportional Debt ²	\$19.7
Preferred Equity ²	\$0.8
Less: Proportional Cash ³	(\$2.1)
Enterprise Value	\$33.6
2023 Adjusted EBITDA with Tax Attributes ⁴ Midpoint	\$3.3
Enterprise Value/EBITDA	10.2x

Price/Earnings	2023
Equity Share Price ¹	\$22.67
2023 Adjusted EPS ⁵ Midpoint	\$1.70
Price/Earnings	13.3x

1. Closing price and market capitalization on May 5, 2023.

2. As of December 31, 2022.

3. Cash & Cash Equivalents, Restricted Cash, Short-Term Investments, Debt Service Reserves & Other Deposits. As of December 31, 2022.

4. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted EBITDA with Tax Attributes guidance without unreasonable effort. See Appendix for definition and for a description of the adjustments to reconcile Adjusted EBITDA with Tax Attributes to Net Income for 2022.

5. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted EPS guidance without unreasonable effort. See Appendix for definition and for a description of the adjustments to reconcile Adjusted EPS to Diluted EPS for 2022.

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 and amortization, adjusted for the impact of NCI, interest, taxes, depreciation and amortization of our equity affiliates, and adding-back interest income recognized under service concession; 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 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; and (f) net gains at Angamos, one of our businesses in the Energy Infrastructure SBU, associated with the early contract terminations with Minera Escondida and Minera Spence.

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, 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; (f) net gains at Angamos, one of our businesses in the South America SBU, associated with the early contract terminations with Minera Escondida and Minera Spence; 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 to include the 2021 tax benefit on reversal of uncertain tax positions effectively settled upon the closure of the Company's 2017 U.S. tax return exam.

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, 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; and (f) net gains at Angamos, one of our businesses in the South America SBU, associated with the early contract terminations with Minera Escondida and Minera Spence. 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 as cash available to the Parent Company, including cash at qualified holding companies (“QHCs”), plus available borrowings under our existing credit facility. 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.