





June 18, 2019

The AES Corporation

JP Morgan Energy Conference

Safe Harbor Disclosure

Certain statements in the following presentation regarding AES' business operations may constitute "forward-looking statements." Such forward-looking statements include, but are not limited to, those related to future earnings, growth and financial and operating performance. Forward-looking statements are not intended to be a guarantee of future results, but instead constitute AES' current expectations based on reasonable assumptions. Forecasted financial information is based on certain material assumptions. These assumptions include, but are not limited to, accurate projections of future interest rates, commodity prices and foreign currency pricing, continued normal or better levels of operating performance and electricity demand at our distribution companies and operational performance at our generation businesses consistent with historical levels, as well as the execution of PPAs, conversion of our backlog and growth from investments at investment levels and rates of return consistent with prior experience. For additional assumptions see Slide 31 and the Appendix to this presentation. Actual results could differ materially from those projected in our forward-looking statements due to risks, uncertainties and other factors. Important factors that could affect actual results are discussed in AES' filings with the Securities and Exchange Commission including but not limited to the risks discussed under Item 1A: "Risk Factors" and Item 7: "Management's Discussion & Analysis" in AES' 2018 Annual Report on Form 10-K, as well as our other SEC filings. AES undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Reconciliation to U.S. GAAP Financial Information

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

Core Strategy

Enhancing the Resilience of Our Portfolio

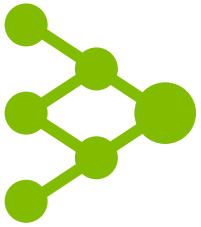


to Deliver



Attractive Returns

Increasing Our Backlog



to Ensure



Profitable Growth

Investing in Innovative Technologies



to Maintain



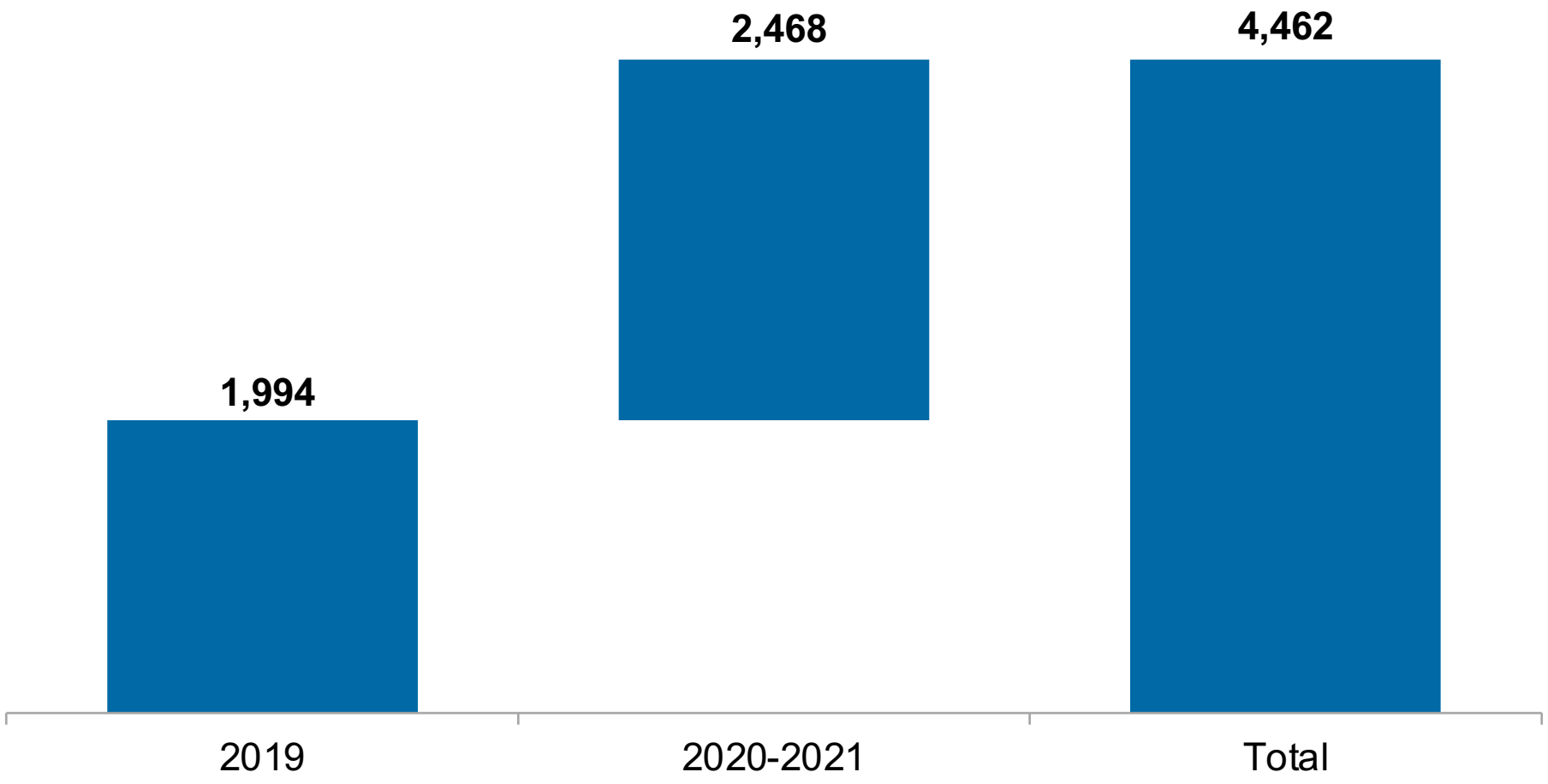
Our Market-Leading Position

Enhancing the Resilience of Our Portfolio

	2011	Current	Change
Impact from Movements in Foreign Currencies, Commodities and Hydrology[1]	$0.21	$0.07	**68%**
Countries with Operations	28	13	**15**
Parent Debt ($ in Millions)	$6,515	$3,686[2]	**$2,829 or 43%**
Credit Rating	B+/BB-	BB+	**2-3 notches**

1. Estimated annual EPS at risk at a 95% confidence level.
2. As of December 31, 2018.

4.5 GW Currently Under Construction



Achieving Key Milestones on Projects Under Construction



OPGC 2 in India



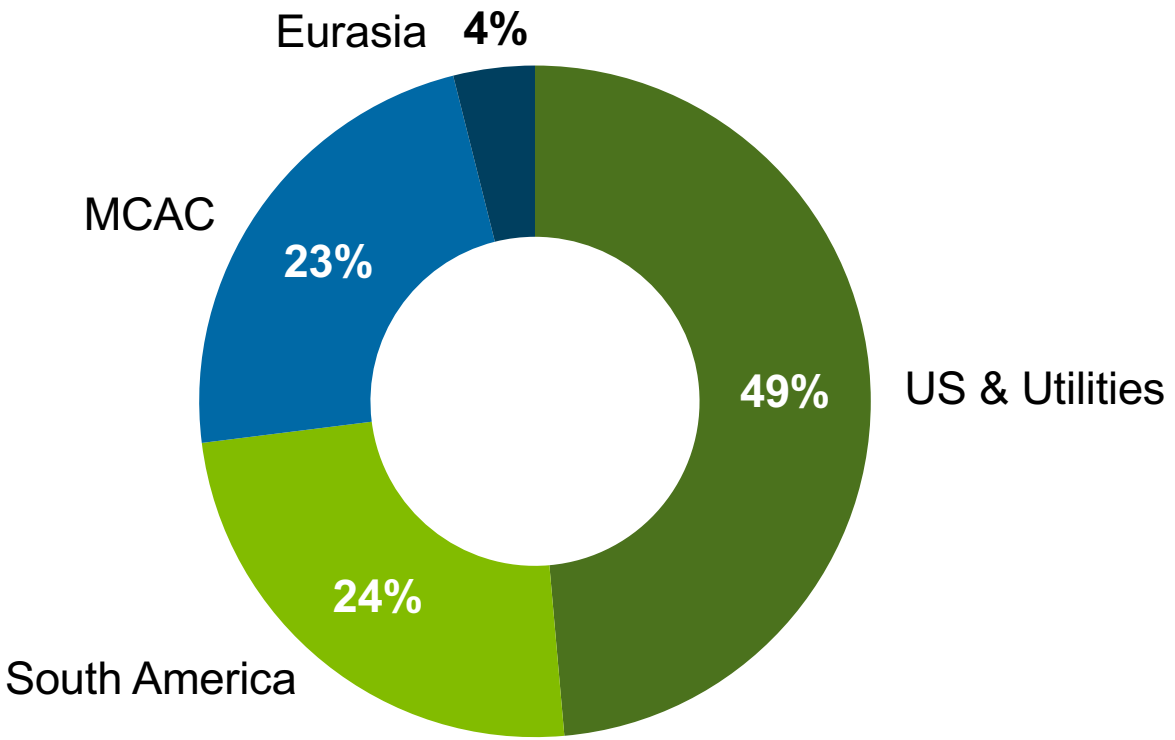
Southland Repowering in California



Alto Maipo in Chile

Renewables Under Construction Across Our Portfolio

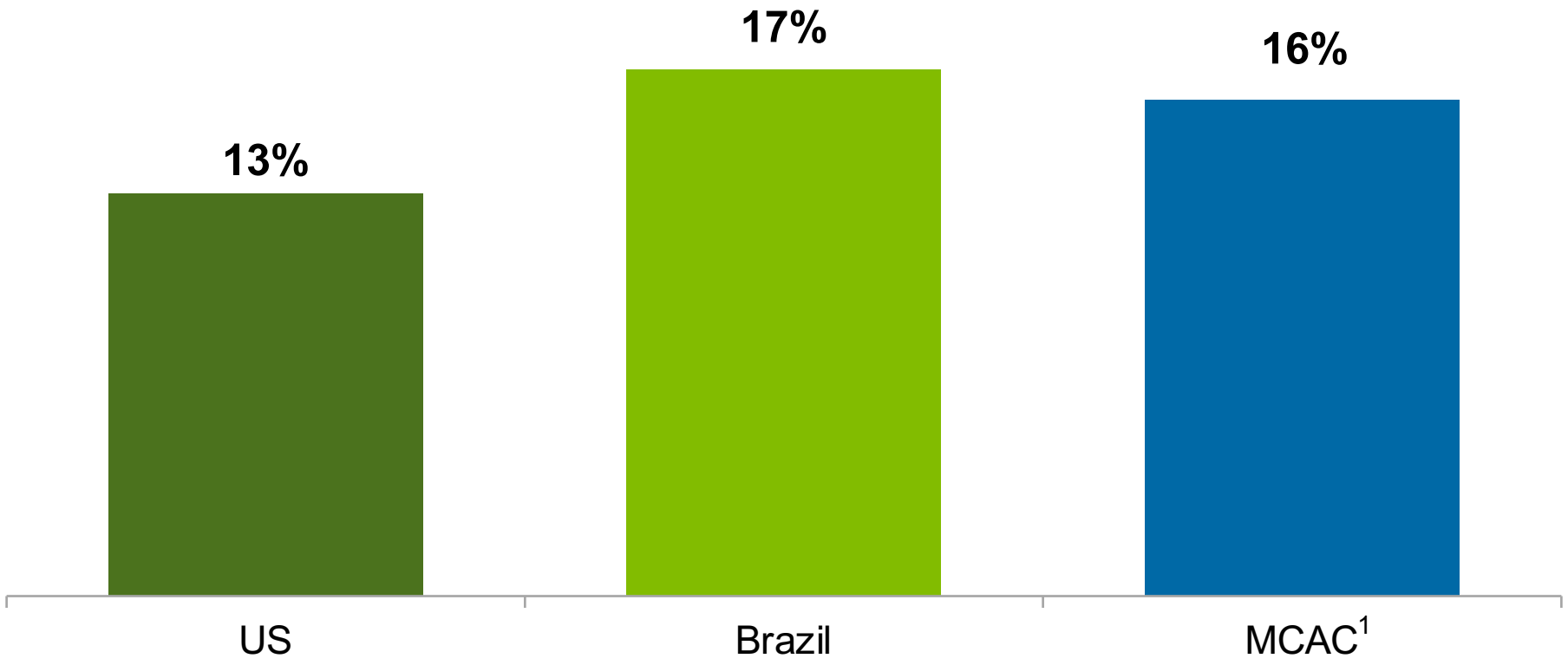
1,327 MW Wind, Solar and Energy Storage; Majority Coming On-Line in 2019



Delivering Attractive Risk-Adjusted Returns

Focus: Natural Gas & Renewables with Long-Term, USD-Denominated Contracts

Levered After-Tax Returns on 2017-2018 Investments in Renewables



1. Mexico, Central America and the Caribbean.

Contains Forward-Looking Statements

Leveraging Existing Relationships to Drive New Growth

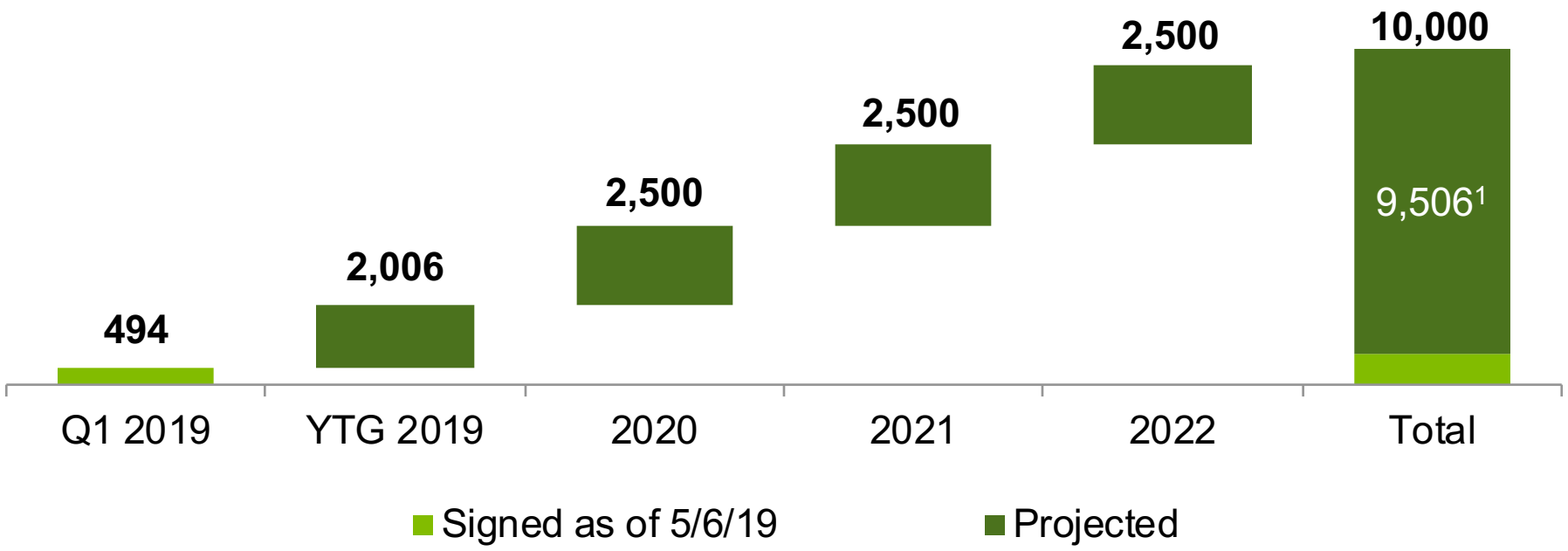
Green Blend and Extend

- Well-positioned to negotiate long-term renewable PPAs with better returns
- Through this win-win strategy we are:
  - Preserving the value of existing thermal contracts
  - Extending average contract life by signing new contracts for renewables
- Near-term addressable universe of 7 GW across our portfolio



New Long-Term Contracts for Renewables (PPAs)

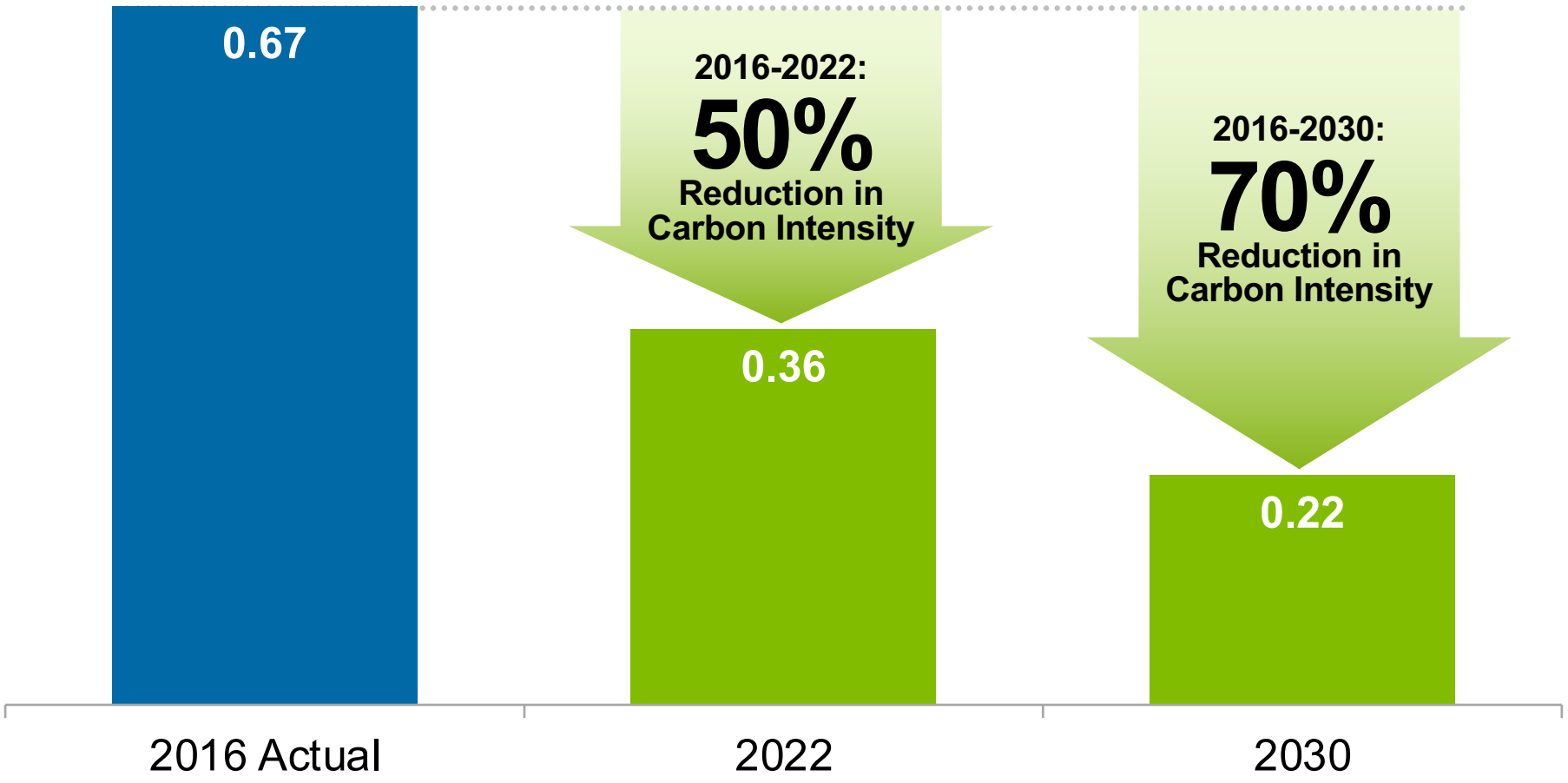
On Pace to Sign 10 GW of Renewable PPAs Through 2022



1. For each year, half the projected amount is expected to come on-line in the following year and the remaining half in the second year. Thus, the projected amount through 2022 is expected to be on-line by 2024.

Significantly Reducing Carbon Intensity

Carbon Intensity (Tons of CO_2/MWh of Generation)



Contains Forward-Looking Statements

Advancing Our LNG Strategy

Capitalizing on Our Infrastructure Experience

- Vietnam
  - Leveraging our position in Vietnam (1,240 MW)
  - Growing need for reliable and efficient generation
    - Developing 450 TBTU of LNG capacity and 2 GW of combined cycle gas plants
- Caribbean and Central America
  - Annual installed capacity of 150 TBTU
    - Majority of capacity is contracted
    - Remaining capacity provides $0.03 of upside to guidance through 2022
  - Profitable opportunities for growth
    - Synergies with our existing infrastructure
    - Limited capital investment

Investing in Innovative Technologies: Fluence

Fluence Energy Storage Joint Venture with Siemens

- #1 Utility-scale energy storage integrator by Navigant Research
- Global market leader:
  - 776 MW delivered or awarded
  - 81 projects in 18 countries

FLUENCE
A Siemens and AES Company

NAVIGANT

Lawa'i Solar + Storage

- Selected for EEI's 2019 Edison Award
- 20 MW solar
- 100 MWh (5-hour duration at 20 MW)







$100 Million of Additional Annual Run Rate Savings by 2022

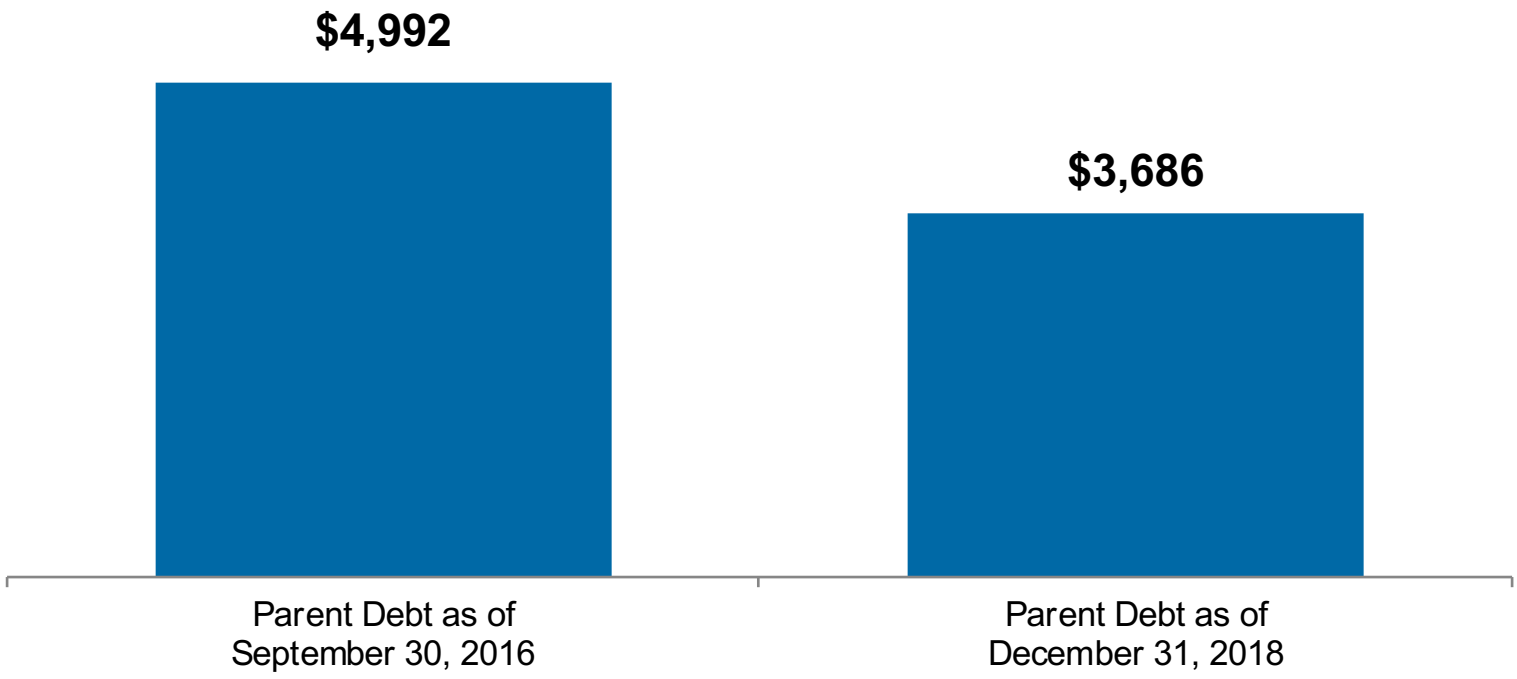
5% Annual Reduction in Targeted Expense Categories to Realize $100 Million in Savings

- Utilizing Artificial Intelligence (AI) for predictive maintenance and to reduce outages
  - Lower maintenance expense and higher availability
- Using technology, such as robotics and drones
- Implementing process automation to reduce administrative and support function costs



Since Announcing Goal to Achieve Investment Grade in Q3 2016, Reduced Parent Debt by $1.3 Billion or 26%

$ in Millions



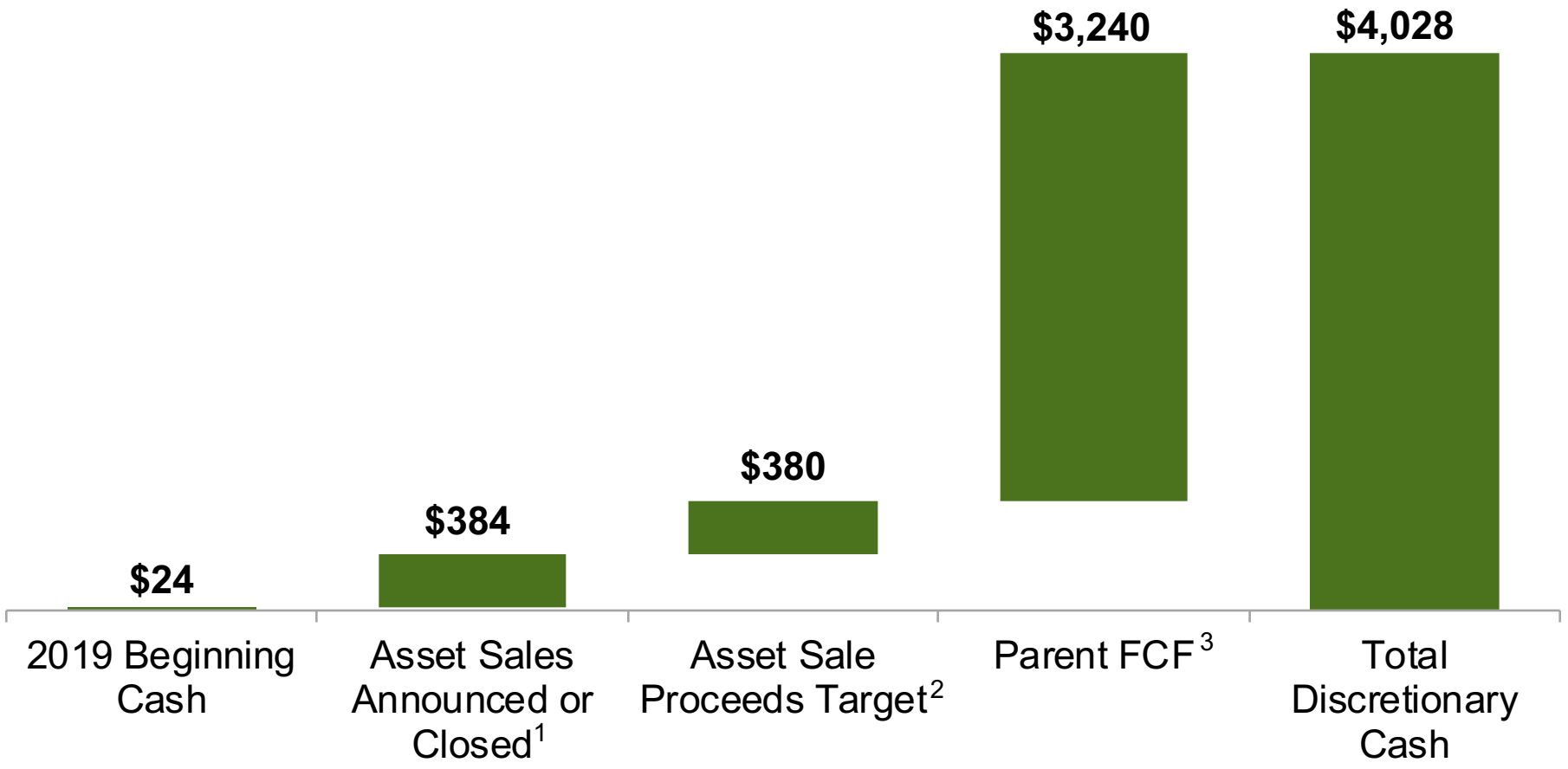
Parent Leverage[1]	4.9x	3.95x

Achieved Investment Grade Metric of Parent Leverage[1] <4x in 2018, One Year Ahead of Goal

1. Parent Debt/Last Twelve Months Parent Free Cash Flow Before Interest.

$4.0 Billion in Discretionary Cash Being Generated 2019-2022

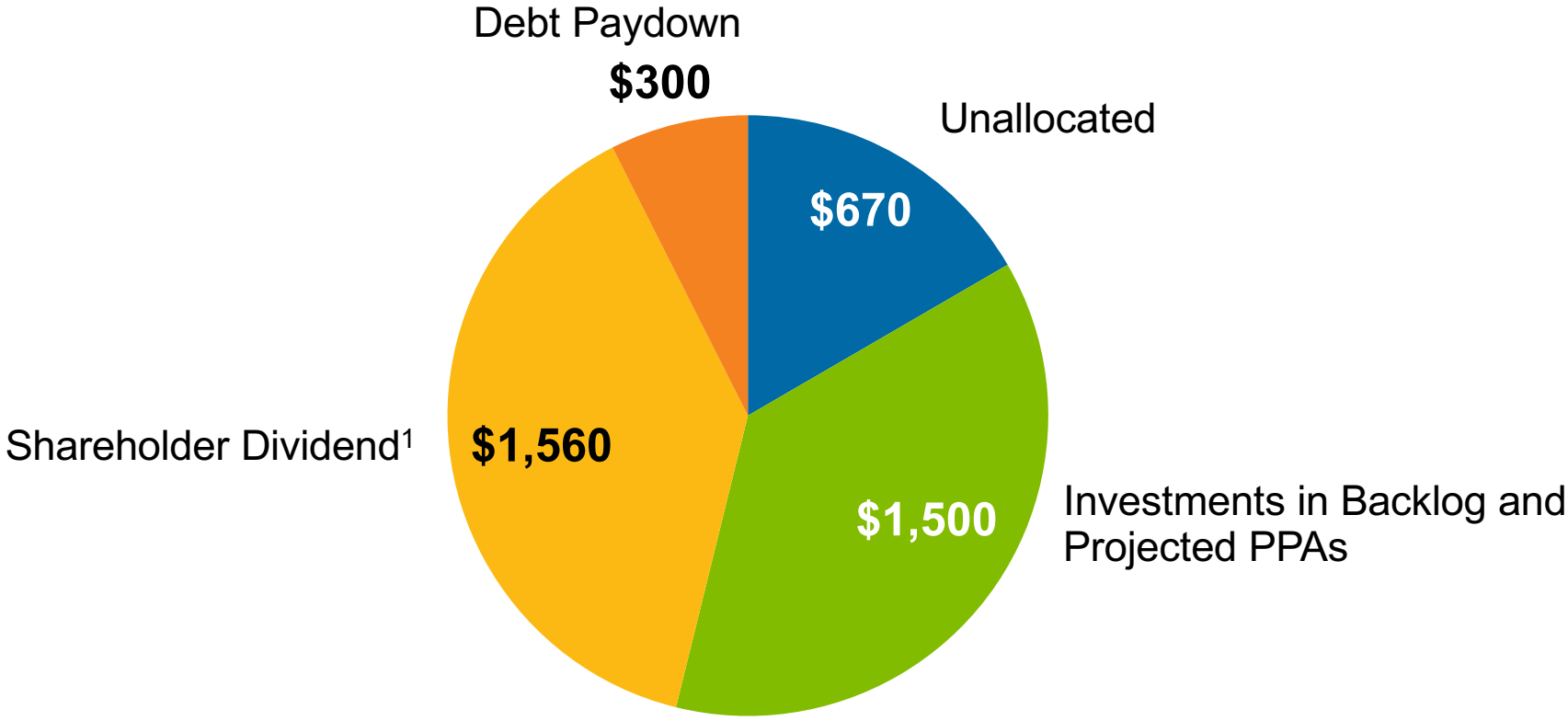
$ in Millions



1. Includes: sell-down of sPower's operating portfolio; and $211 million sales of businesses in Jordan and Northern Ireland expected to close in 2019.
2. Remaining portion of $2 billion target, net of $1.4 billion already received in 2018 and 2019, as well as $211 million expected to close in 2019.
3. A non-GAAP financial measure. See Appendix for definition. For illustrative purposes, Parent Free Cash Flow assumes the low end of expectations.

2019-2022: $4.0 Billion of Discretionary Cash Available for Allocation

$ in Millions



Disciplined Capital Allocation to Maximize Risk-Adjusted Total Shareholder Return

1. Assumes 2019 payment of $0.1365 per share each quarter on 662 million shares outstanding as of December 31, 2018, growing at 5% per year through 2022.

AES Value Proposition

Enhancing the Resilience of Our Portfolio

to Deliver

Attractive Returns

Increasing Our Backlog

to Ensure

Profitable Growth

Investing in Innovative Technologies

to Maintain

Our Market-Leading Position

7% to 9%	+	3.0%	=	10% to 12%
Annual Growth in Adjusted EPS[1] and Parent Free Cash Flow[1] Through 2022		Current Dividend Yield		Annual Total Shareholder Return

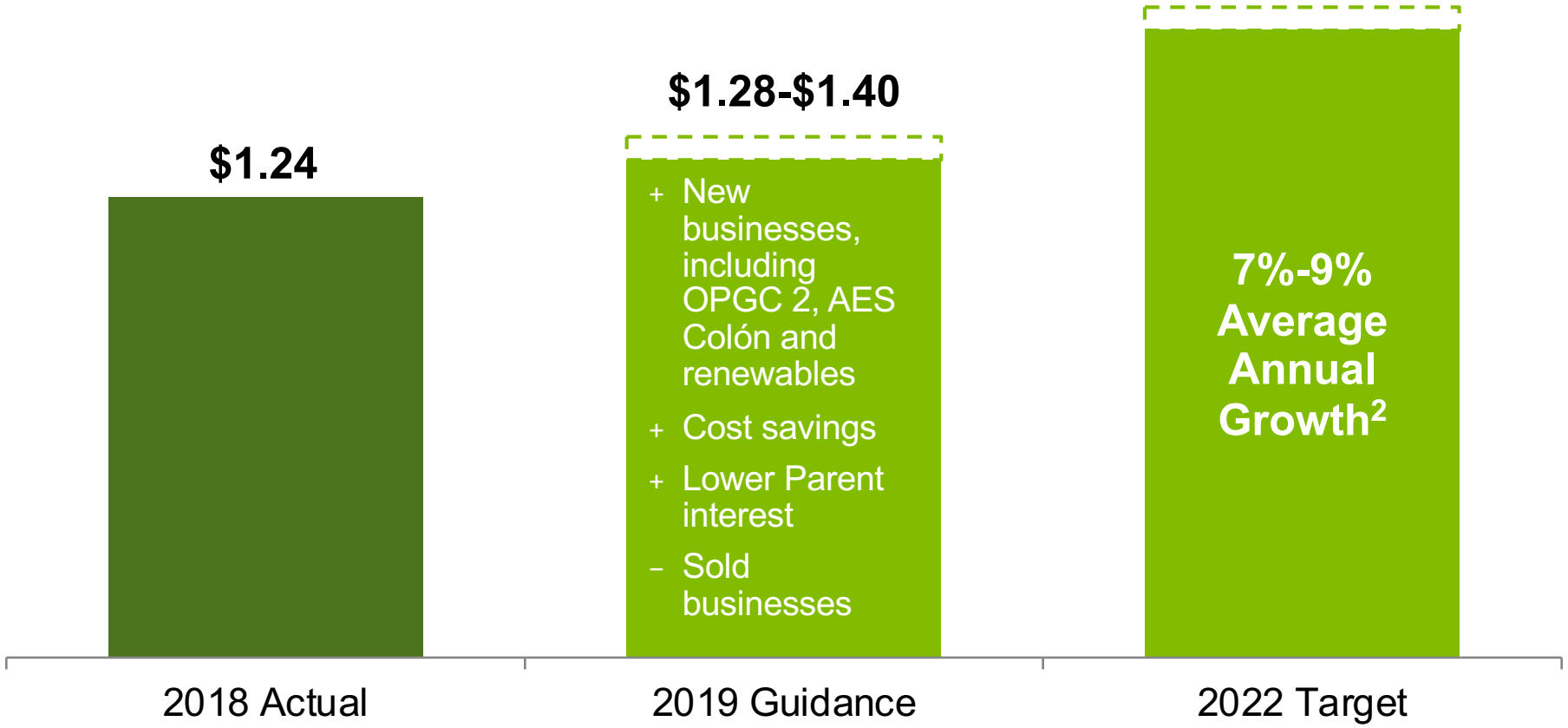
1. A non-GAAP financial measure. See Appendix for definition.

Appendix

- Guidance & Expectations — Slides 21-22
- Currencies and Commodities — Slides 23-25
- AES Modeling Disclosures — Slide 26
- Construction Program — Slide 27
- PPAs Signed Year-to-Date — Slide 28
- 15.7 GW Expected to Come On-Line Through 2024 — Slide 29
- Reconciliation — Slide 30
- Assumptions & Definitions — Slides 31-32

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

$ Per Share



1. A non-GAAP financial measure. See "definitions". The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted EPS guidance without unreasonable effort. See Slide 30 for a description of the adjustments to reconcile Adjusted EPS to diluted EPS for Q1 2019.
2. From a base of 2018 Adjusted EPS of $1.24.

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

$ in Millions



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

Year-to-Go 2019 Guidance Estimated Sensitivities

Interest Rates[1]

- 100 bps increase in interest rates over YTG 2019 is forecasted to have a change in EPS of approximately ($0.015)

Currencies

10% appreciation of USD against following currencies is forecasted to have the following EPS impacts:	Year-to-Go 2019	
	Average Rate	Sensitivity
Argentine Peso (ARS)	49.95	Less than ($0.005)
Brazilian Real (BRL)	3.96	Less than ($0.005)
Chilean Peso (CLP)	680	Less than $0.005
Colombian Peso (COP)	3,211	($0.005)
Euro (EUR)	1.13	Less than ($0.005)
Indian Rupee (INR)	70.59	Less than ($0.005)
Mexican Peso (MXN)	19.85	$0.01

Commodity

10% increase in commodity prices is forecasted to have the following EPS impacts:	Year-to-Go 2019	
	Average Rate	Sensitivity
IPE Brent Crude Oil	$67.13/bbl	($0.005)
NYMEX Henry Hub Natural Gas	$2.8/mmbtu	($0.005)
Rotterdam Coal (API 2)	$67.44/ton	($0.005)
US Power – SP15	$43.02/MWh	$0.005

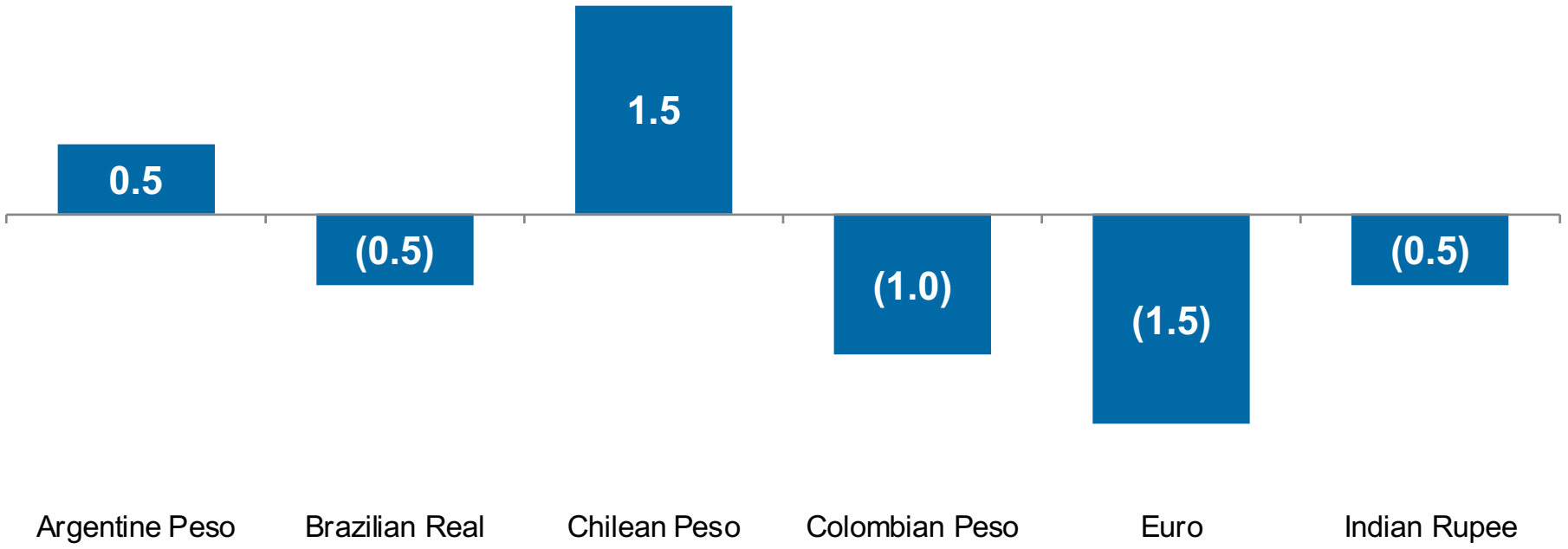
Note: Guidance reaffirmed on May 7, 2019. Sensitivities are provided on a standalone basis, assuming no change in the other factors, to illustrate the magnitude and direction of changing key market factors on AES' results. Estimates show the impact on year-to-go 2019 Adjusted EPS. Actual results may differ from the sensitivities provided due to execution of risk management strategies, local market dynamics and operational factors. Reaffirmed 019 guidance is based on currency and commodity forward curves and forecasts as of March 31, 2019. There are inherent uncertainties in the forecasting process and actual results may differ from projections. The Company undertakes no obligation to update the guidance presented. Please see Item 3 of the Form 10-Q for a more complete discussion of this topic. AES has exposure to multiple coal, oil, natural gas and power indices; forward curves are provided for representative liquid markets. Sensitivities are rounded to the nearest $0.005 per share.

1. The move is applied to the floating interest rate portfolio balances as of March 31, 2019.

Foreign Exchange (FX) Risk Before Hedges

Cents Per Share, Exposures Before Hedges

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



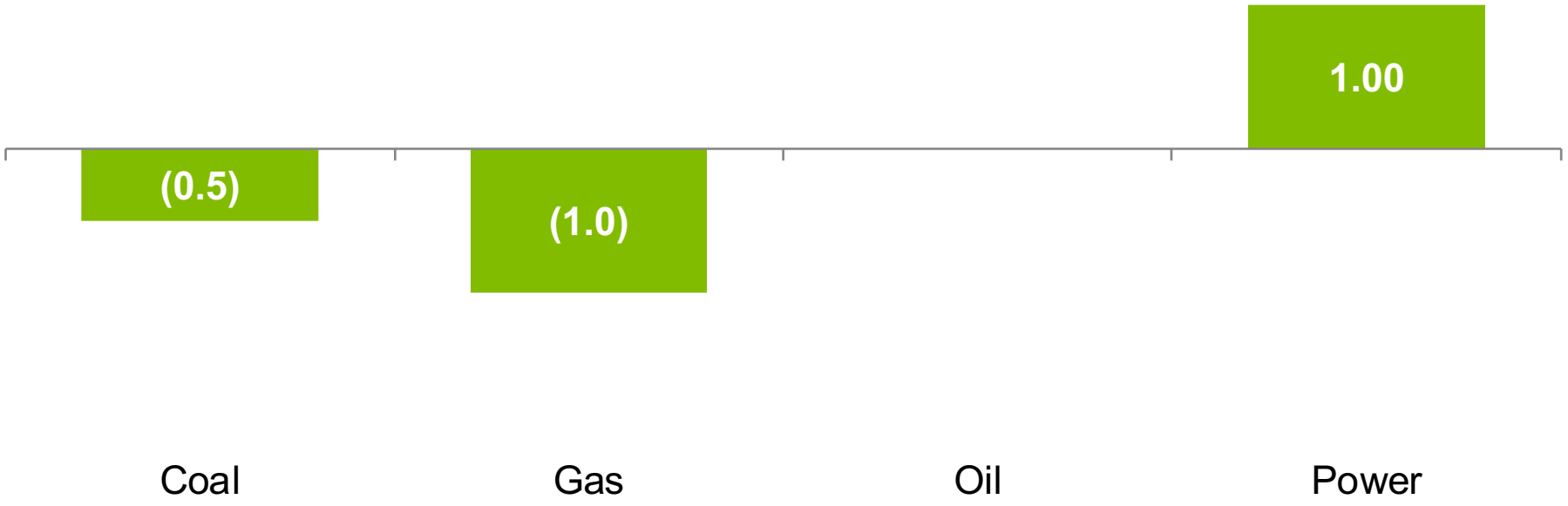
- 2020 FX risk before hedges for 10% US dollar appreciation against foreign currency
- FX risk mitigated on a rolling basis by active FX hedging

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

Commodity Risk

Cents Per Share

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



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

AES Modeling Disclosures

$ in Millions

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

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

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

$ in Millions, Unless Otherwise Stated

Project	Country	AES Ownership	Fuel/Technology	Gross MW	Expected COD	Total Capex	Total AES Equity
Construction Projects Coming On-Line 2019-2021							
Global Renewables	Various	24%-100%	Solar/Wind/ Energy Storage	1,327	1H 2019- 1H 2021	$1,942	$269
OPGC 2	India	49%	Coal	1,320	1H 2019	$1,585	$227
Southland Repowering	US-CA	100%	Gas	1,284	1H 2020	$2,287	$329
Alto Maipo	Chile	62%	Hydro	531	2H 2020	$3,439	$683
Total				**4,462**		**$9,253**	**$1,508**

PPAs Signed in YTD 2019

Project	Location	Technology	Gross MW	AES Equity Interest	Expected COD[1]	PPA Length (Years)
Keydet (sPower)	US-VA	Solar	175	50%	2H 2021	15
APS	US-AZ	Energy Storage	100	100%	1H 2021	20
HECO – West Oahu Solar (AES DE)	US-HI	Solar	13	100%	2H 2021	25
		Energy Storage	13			
HECO – Waikoloa (AES DE)	US-HI	Solar	30	100%	2H 2021	25
		Energy Storage	30			
HECO – Kuihelni (AES DE)	US-HI	Solar	60	100%	1H 2022	25
		Energy Storage	60			
NY Community Solar (AES DE)	US-NY	Solar	10	100%	1H 2020	20
		Energy Storage	4			
Total			**494**			

1. Commercial Operations Date.

Summary of 15.7 GW Expected to Come On-Line Through 2024

	2019	2020	2021	2022	2023	2024	Total
(a) COD of Construction (Legacy)	1,596	2,149	100	-	-	-	3,845
(b) COD of Construction (PPAs Signed in 2018)	398	219	-	-	-	-	617
Construction (a + b)	**1,994**	**2,368**	**100**	**-**	**-**	**-**	**4,462**
(c) COD of PPAs Signed in 2018-2019 (Not Yet Under Construction)	185	577	611	390	-	-	1,763
Total PPAs Signed in 2018-2019 (b + c)	**583**	**796**	**611**	**390**	**-**	**-**	**2,380**
Backlog (a + b + c)	**2,179**	**2,945**	**711**	**390**	**-**	**-**	**6,225**
(d) COD of Projected PPAs[1]	-	1,003	2,253	2,500	2,500	1,250	9,506
Total (a + b + c + d)	**2,179**	**3,948**	**2,964**	**2,890**	**2,500**	**1,250**	**15,731**

1. For each year, half the projected amount is expected to come on-line in the following year and the remaining half in the second year. Thus, the projected amount through 2022 is expected to be on-line by 2024.

Reconciliation of Q1 Adjusted PTC[1] and Adjusted EPS[1]

$ in Millions, Except Per Share Amounts	Q1 2019		Q1 2018	
	Net of NCI[2]	Per Share (Diluted) Net of NCI[2]	Net of NCI[2]	Per Share (Diluted) Net of NCI[2]
Income from Continuing Operations, Net of Tax, Attributable to AES and Diluted EPS	$154	$0.23	$685	$1.03
Add: Income Tax Expense from Continuing Operations Attributable to AES	$85		$198	
Pre-Tax Contribution	$239		$883	
Adjustments				
Unrealized Derivative and Equity Securities Losses	$3	$0.01	$12	$0.02
Unrealized Foreign Currency Losses (Gains)	$11	$0.02	($3)	-
Disposition/Acquisition Losses (Gains)	$9	$0.01	($778)	($1.17)[3]
Impairment Expense	$2	-	-	-
Loss on Extinguishment of Debt	$8	$0.01	$171	$0.26[4]
Restructuring Costs	-	-	$3	-
U.S. Tax Law Reform Impact	-	$0.01	-	-
Less: Net Income Tax Expense (Benefit)	-	($0.01)	-	$0.14[5]
Adjusted PTC[1] & Adjusted EPS[1]	**$272**	**$0.28**	**$288**	**$0.28**

1. Non-GAAP financial measures. See “definitions”.
2. NCI is defined as Noncontrolling Interests.
3. Amount primarily relates to gain on sale of Masinloc of $777 million, or $1.17 per share.
4. Amount primarily relates to loss on early retirement of debt at the Parent Company of $169 million, or $0.26 per share.
5. Amount primarily relates to the income tax expense under the GILTI provision associated with gain on sale of Masinloc of $155 million, or $0.23 per share, partially offset by income tax benefits associated with the loss on early retirement of debt at the Parent Company of $53 million, or $0.08 per share.

Assumptions

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

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

Definitions

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