





AES
we are the energy

November 2019

The AES Corporation

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 27 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.

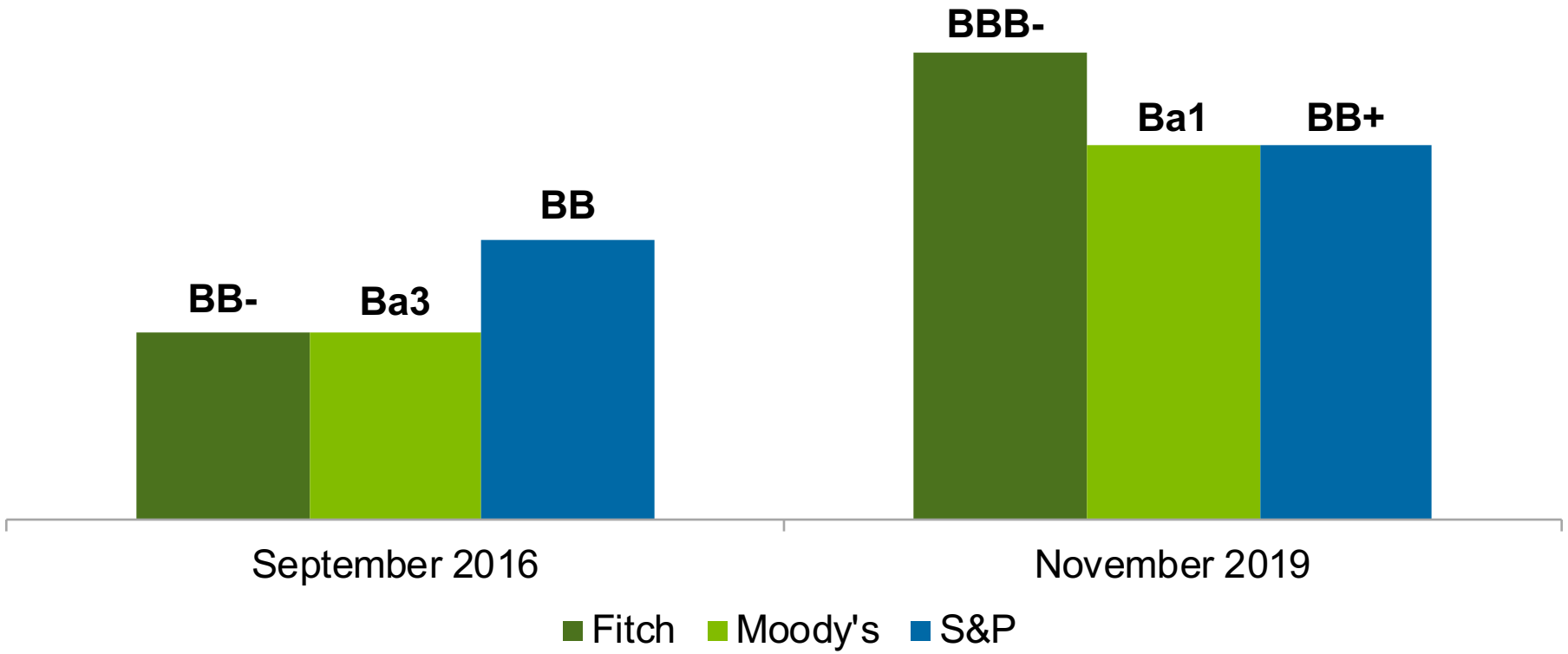
AES: Attractive Growth and Income Story

Enhancing the Resilience of Our Portfolio	Increasing Our Backlog	Investing in Innovative Technologies
to Deliver	*to Ensure*	*to Maintain*
Attractive Returns	Profitable Growth	Our Market-Leading Position

7% to 9%	+	~3.5%	=	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.

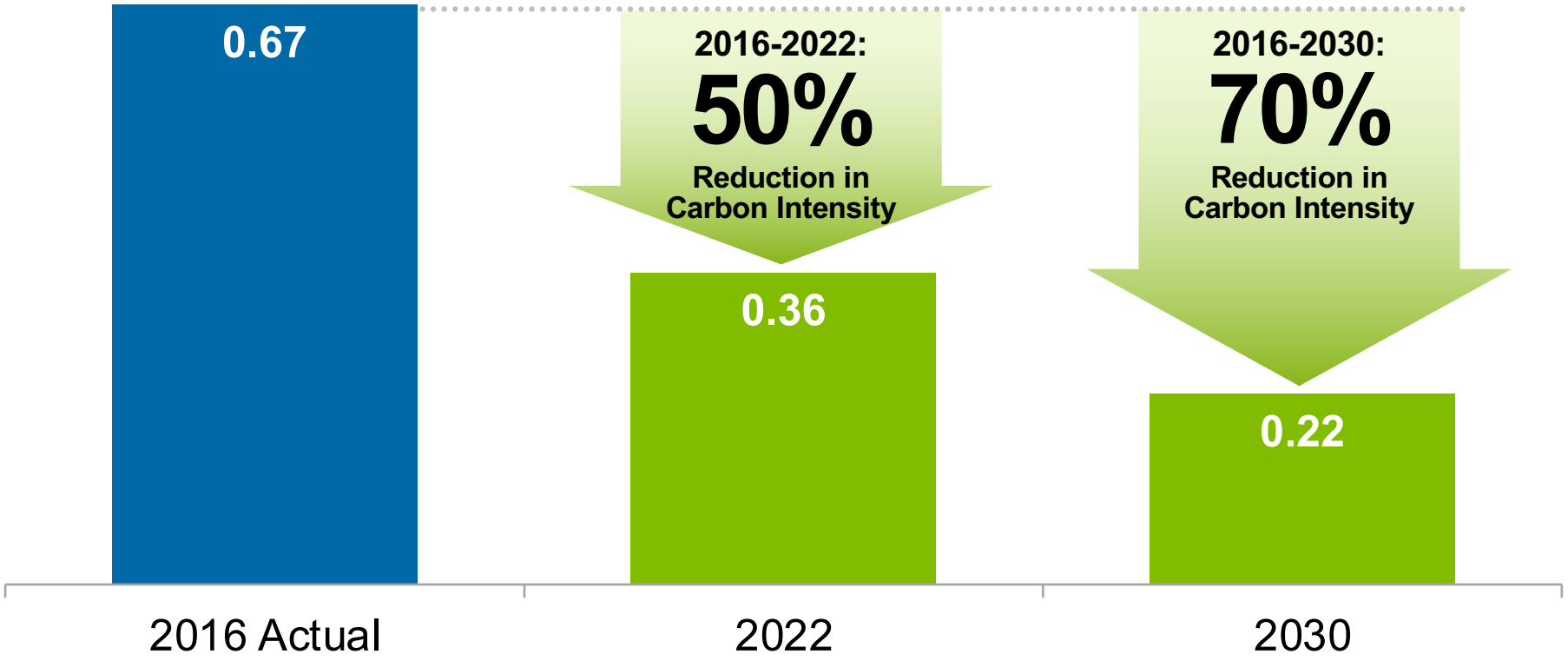
Positive Actions by Rating Agencies



Investment Grade Rating Reflects Transformation to Strengthen Balance Sheet and Simplify Portfolio

Significantly Reducing Carbon Intensity and Coal Generation

Carbon Intensity (Tons of CO_2/MWh of Generation)

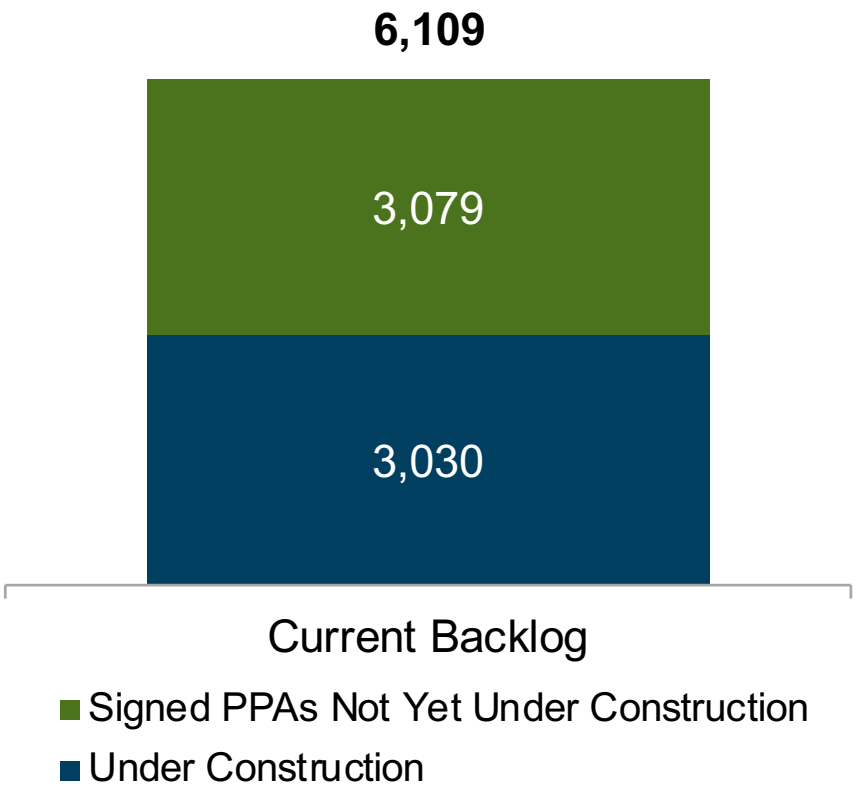


Expect Coal to Represent Less Than 30% of Total Generation (MWh) by 2022

Contains Forward-Looking Statements

6.1 GW Backlog of Mostly Renewables

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



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

Advancing Our LNG Infrastructure Strategy

LNG Complex in Vietnam

2.2 GW CCGT

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

480 TBTU LNG Terminal

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

Advancing Our LNG Infrastructure Strategy

Expanding LNG Storage Capacity by 50 TBTU in the Dominican Republic

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



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

10-Year Strategic Alliance



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

Investing in Innovative Technologies

Uplight Enables Utilities to Better Engage Their Customers

uplight™

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

Investing in Innovative Technologies

Fluence Energy Storage Joint Venture with Siemens

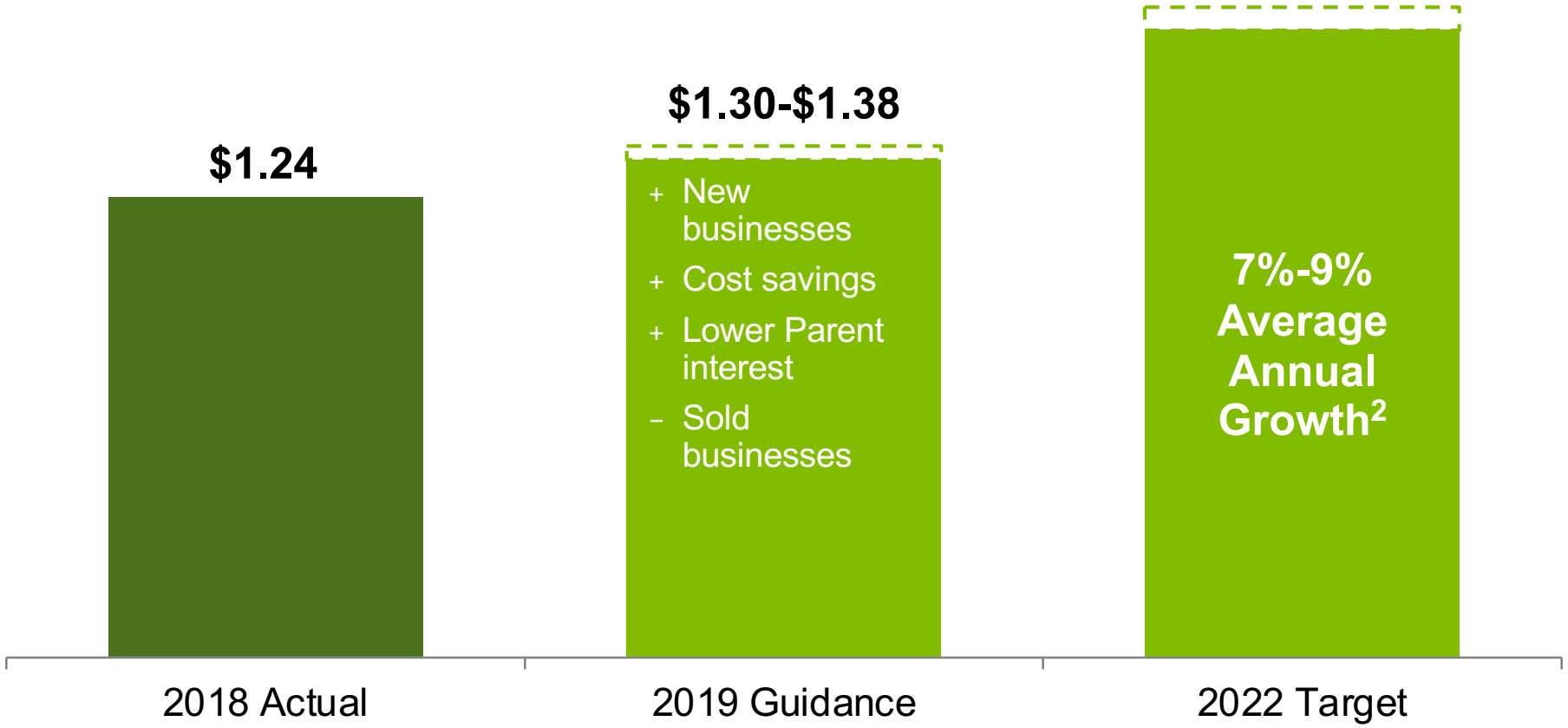


- Global market leader
  - Awarded 806 MW in YTD 2019
- Tripled backlog of awarded sales to more than 1 GW, or ~$1 billion
- Total of 1,524 MW delivered or awarded through Q3 2019

FLUENCE
A Siemens and AES Company

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

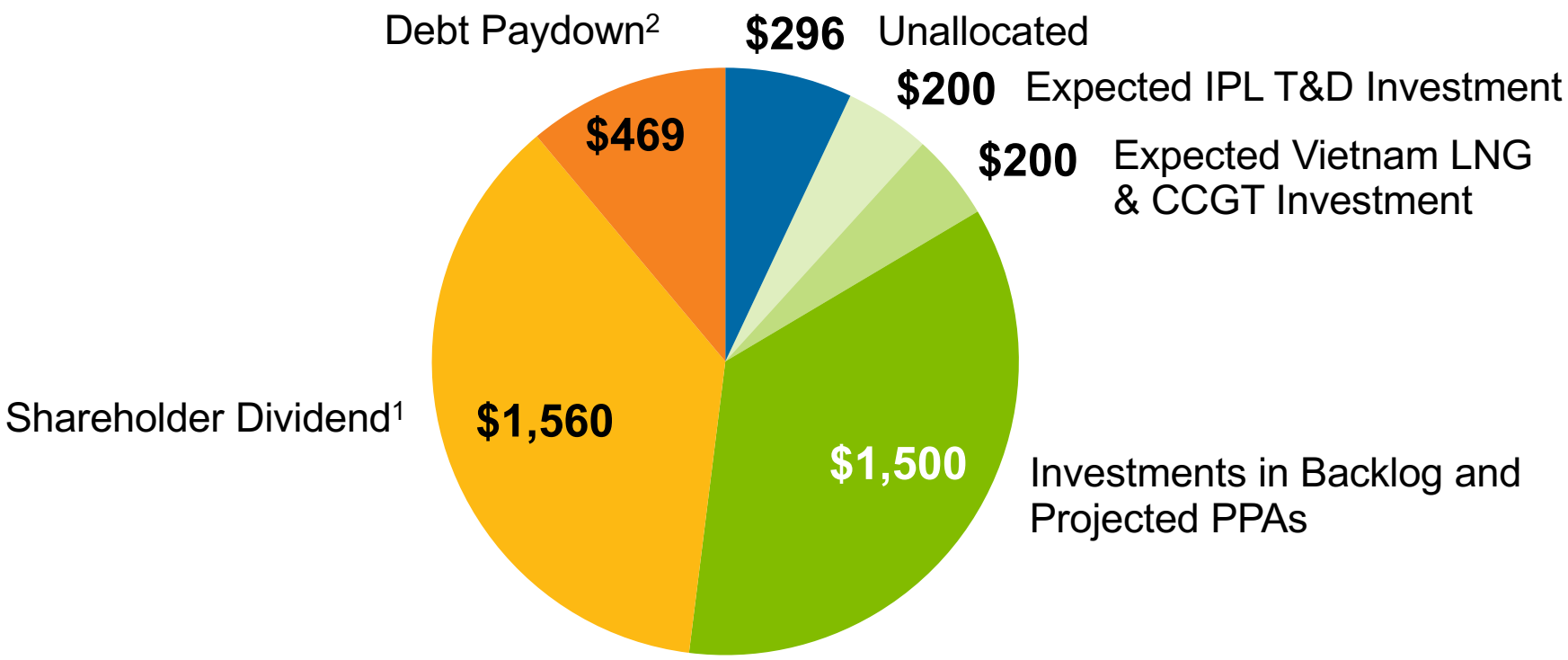
$ Per Share



1. A non-GAAP financial measure. See Appendix for definition. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted EPS guidance without unreasonable effort. See Slide 26 for a description of the adjustments to reconcile Adjusted EPS to diluted EPS for YTD 2019.
2. From a base of 2018 Adjusted EPS of $1.24.

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

$ in Millions



Delivering Value by Allocating $4 Billion of Discretionary Cash

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

Summary

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

Offering 10% to 12% Annual Total Shareholder Return

Appendix

- Currencies and Commodities — Slides 16-18
- 2019 Adjusted PTC[1] Modeling Ranges — Slide 19
- Parent Free Cash Flow[1] Expectations Through 2022 — Slide 20
- 2019-2022 Discretionary Cash — Slide 21
- AES Modeling Disclosures — Slide 22
- Construction Program — Slide 23
- Renewables Under Long-Term Contracts (PPAs) — Slide 24
- AES Generation Capacity in MW — Slide 25
- Reconciliation — Slide 26
- Assumptions & Definitions — Slides 27-28

1. A non-GAAP financial measure.

Year-to-Go 2019 Guidance Estimated Sensitivities

Interest Rates[1]

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

Currencies

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

Commodity

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

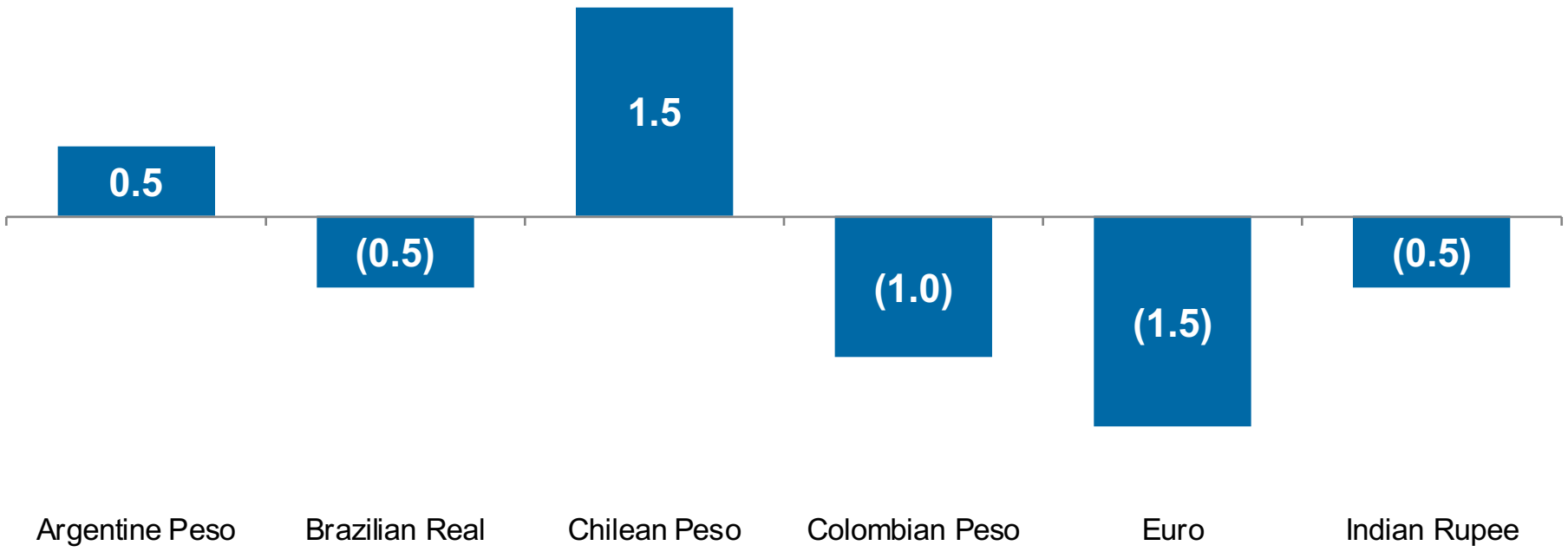
Note: Guidance reaffirmed on November 6, 2019. Sensitivities are provided on a standalone basis, assuming no change in the other factors, to illustrate the magnitude and direction of changing key market factors on AES' results. Estimates show the impact on year-to-go 2019 Adjusted EPS. Actual results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

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

Foreign Exchange (FX) Risk Before Hedges

Cents Per Share, Exposures Before Hedges

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



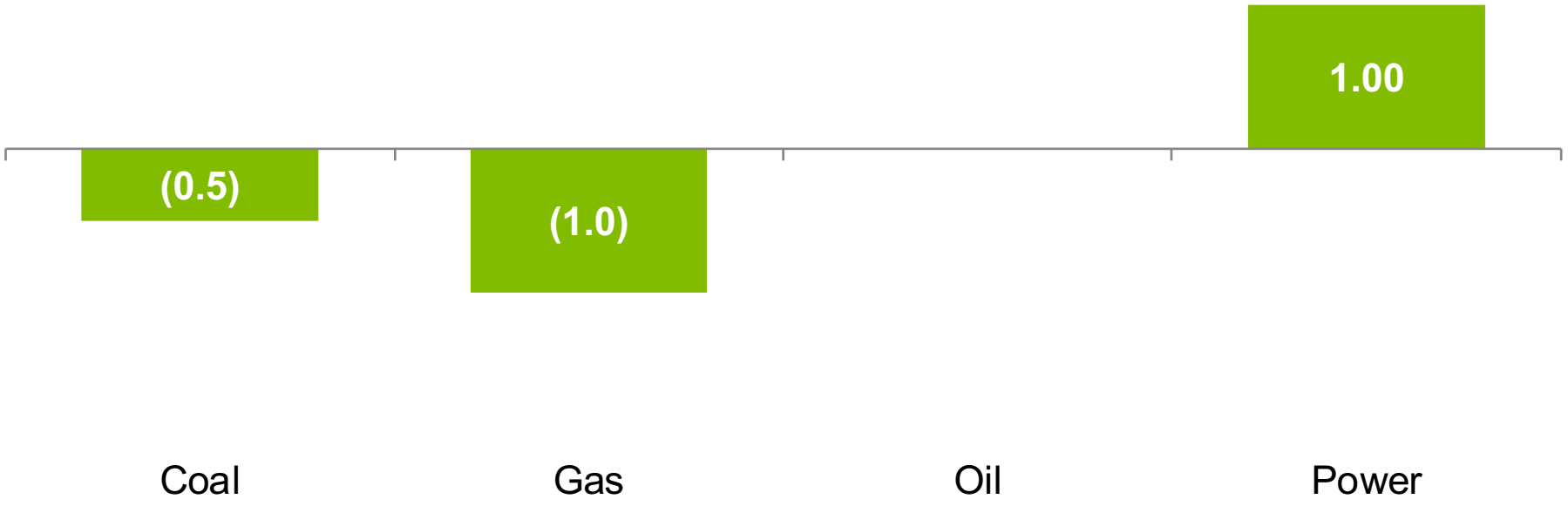
- 2020 FX risk before hedges for 10% US dollar appreciation against foreign currency
- FX risk mitigated on a rolling basis by active FX hedging

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

Commodity Risk

Cents Per Share

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



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

2019 Adjusted PTC Modeling Ranges

$ in Millions

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

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

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

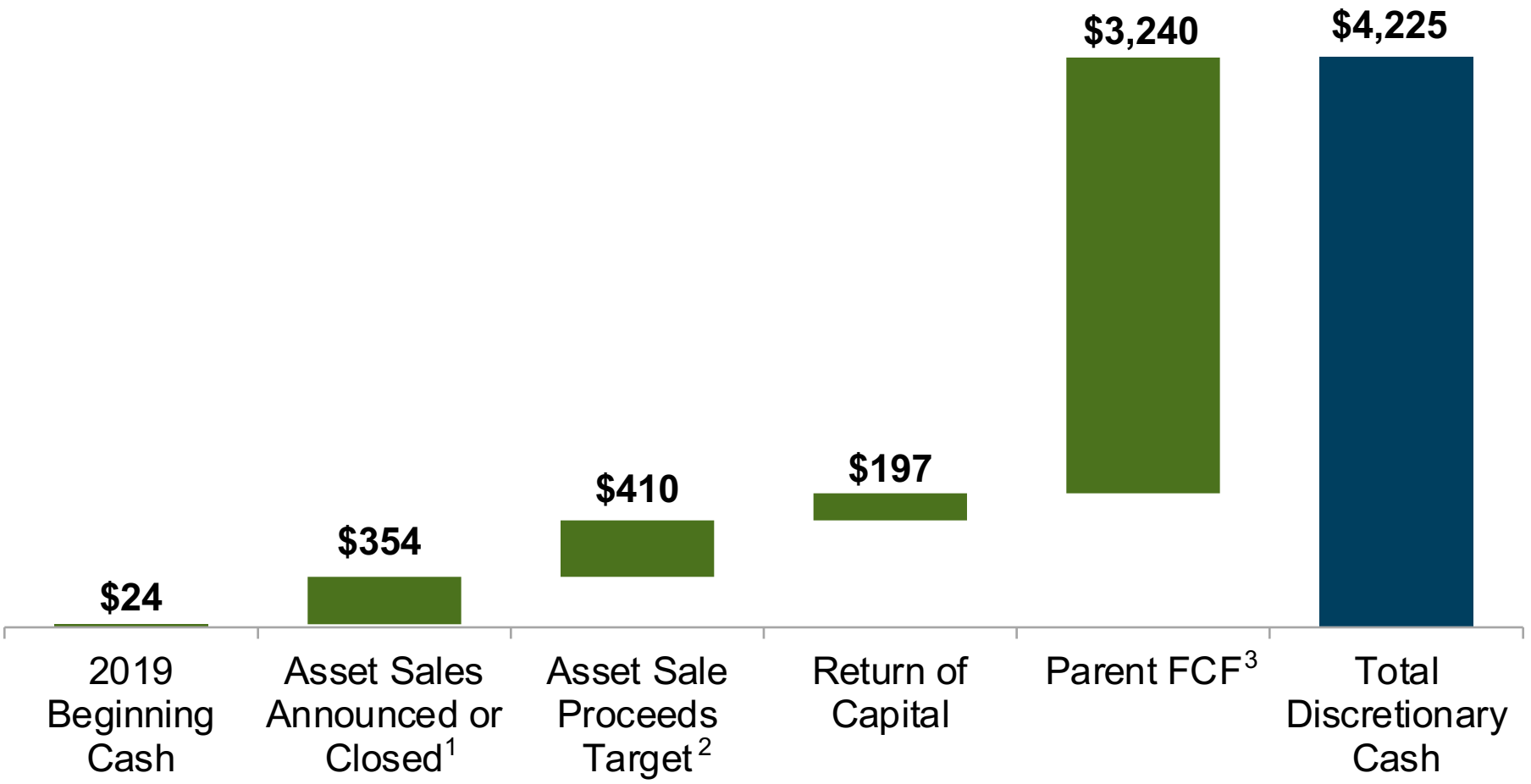
$ in Millions



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

2019-2022: $4.2 Billion of Discretionary Cash Generation

$ in Millions



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

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%	Wind/Solar/ Energy Storage	1,200	2H 2019- 2H 2021	$1,989	$286
Southland Repowering	US-CA	100%	Gas	1,299	1H 2020	$2,287	$329
Alto Maipo	Chile	62%	Hydro	531	2H 2020	$3,439	$683
Total				**3,030**		**$7,715**	**$1,298**

1. Commercial Operations Date.

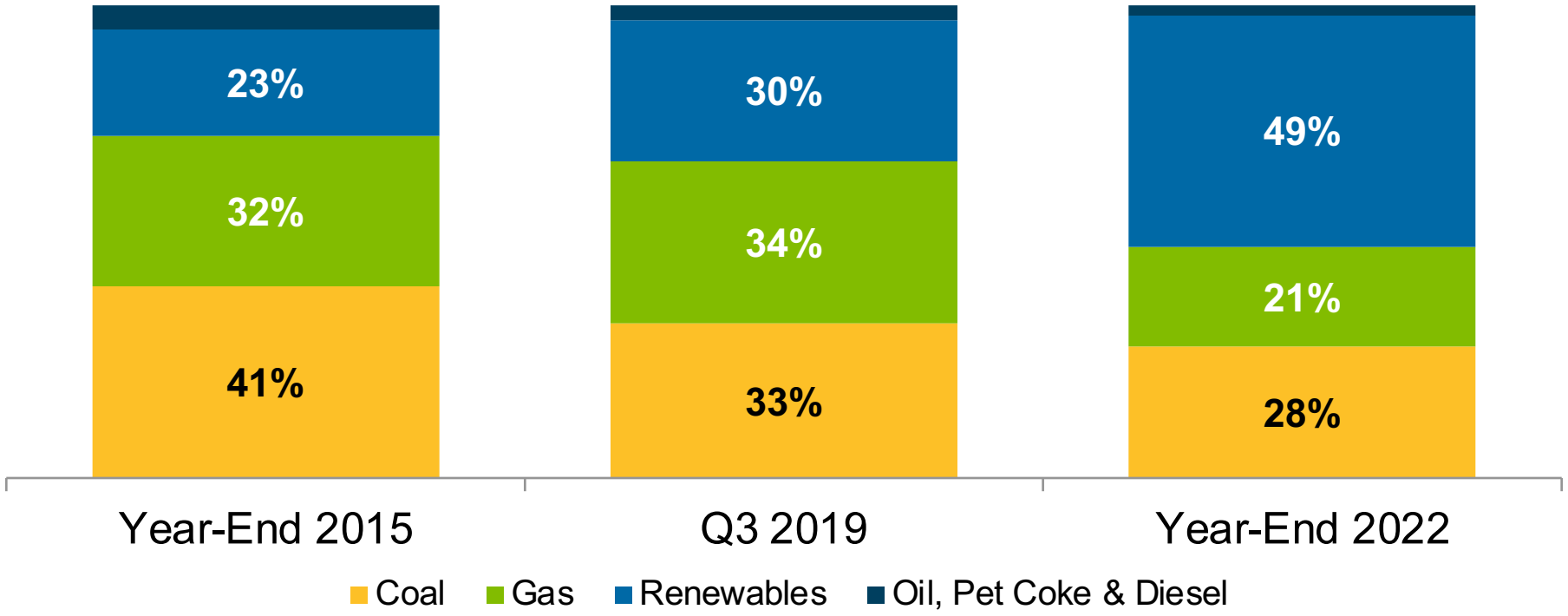
PPAs Signed in YTD 2019

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

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

Replacing Coal Capacity with Renewables and Natural Gas

Generation Capacity in MW



Adding 13 GW of Renewables Through 2022

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

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

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

Assumptions

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

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

Definitions

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