

Private Capital & The AI Power Revolution

GIP (BlackRock) & EQT Consortium Acquisition of AES Corporation

Enterprise Value: \$33.4 Billion | Equity Value: \$10.7 Billion | Announced: March 2, 2026

By: Roberto Bodegas



MERGERS &
ACQUISITIONS

UNIVERSITY
OF READING

1. Introduction

A consortium led by Global Infrastructure Partners (a subsidiary of BlackRock since 2024), along with EQT Infrastructure, agreed to acquire The AES Corporation in an all-cash take-private transaction valued at \$34.4 billion on the 2nd of March 2026.

AES has over 32 gigawatts of generation capacity across 15 countries, a signed corporate power purchase agreement (PPA) book of 11.8 GW with technology giants including Google and Microsoft, and a renewables portfolio constituting 50% of its generation mix. AES is affected by the artificial intelligence revolution and the energy transition, two powerful structural forces in the global economy. Serving as the physical infrastructure layer of the AI economy and a clean energy developer of global scale, it made it a target for the world's leading infrastructure capital pools.

The deal involves an unusually complex consortium structure, pairing two of the world's largest infrastructure fund managers, GIP with \$193 billion in assets under management and EQT with EUR 270 billion in total AUM, with CalPERS, the largest US public pension fund with a net position of \$563 billion, and the Qatar Investment Authority. The offer price was a 40.3% premium to pre-speculation value; however, it was a 13% discount to the market price on the day of announcement, sending AES shares down 17%.

The take-private of AES illustrates how private infrastructure capital is positioning itself to control the electricity assets required for the AI and electrification economy.

After a rigorous review involving several parties, the AES board concluded clearly that without this transaction, the company would have to reduce or eliminate its dividend and/or issue substantial new equity. AES Chairman Jay Morse stated that the Board determined the deal maximised value for stockholders and provided compelling cash value. GIP's Bayo Ogunlesi called AES a market leader at a critical time for electricity investment; EQT's Masoud Homayoun framed the acquisition as supporting energy security, electrification, and digitalisation; and both CalPERS and QIA described the investment as a natural fit for their long-duration capital mandates.

This report analyses the strategic position of AES as a business, the mechanics of the deal structure and the broader structural shift in how critical electricity infrastructure is owned. The acquisition is a rational, strategic transaction reassessing the value of electricity infrastructure in an AI-driven economy.

2. Company Background: AES Corporation

2.1 Business Model

AES Corporation was founded in 1981 as Applied Energy Services and has grown over 45 years into one of the world's largest power companies, operating across 15 countries with a generation portfolio exceeding 32 gigawatts. The company operates two main segments. The first is competitive generation and renewables, which includes its global portfolio of wind, solar, natural gas, and LNG assets operating under market or contracted conditions. The second is regulated electric utilities, consisting of AES Indiana and AES Ohio, two Midwestern utilities that serve around 1.1 million customers under cost-of-service rate regulation.

The company's defining commercial product is the long-term corporate PPA. AES is ranked by BloombergNEF as the leading seller of clean energy to corporations in the US and the Americas for five consecutive years, with 11.8 GW of signed agreements with technology companies. These agreements are typically 10 to 20 years long and provide predictable, inflation-linked revenue. Google is AES's largest corporate buyer in 2025, followed by Microsoft, Meta, and other hyperscalers whose data centre buildouts have created huge demand for contracted clean power.

AES consciously stepped away from 13.4 GW of coal generation since 2017. The 11.8 GW worth of signed but unbuilt renewable contracts represents a pipeline of future cash flows that supports the growth case. Both regulated utilities have recently benefited from rate proceedings. The Indiana Utility Regulatory Commission approved a \$71 million annual rate increase for AES Indiana in 2024, and the Public Utilities Commission of Ohio approved a \$168 million annual rate increase for AES Ohio in late 2025.

2.2 Strategic Position

AES's strategic position is defined by three main advantages. The first is its corporate PPA relationships. While traditional utilities sell power into wholesale markets at prevailing prices, AES sells directly to some of the world's most creditworthy corporate buyers. These relationships are hard to replicate because they require the technical capability to develop large-scale renewable projects, the balance sheet to take on development risk, and the track record needed to meet the procurement standards of Fortune 50 technology companies.

The second advantage is its development pipeline. AES had 11.9 GW under active development at the time of announcement, 4.9 GW under construction, and 7.0 GW in signed but unbuilt PPAs. For the Consortium, this is the primary source of future value creation, converting development risk into contracted infrastructure cash flows.

One additional complexity is the ownership structure at the utility level. As of April 2025, La Caisse de dépôt et placement du Québec (CDPQ) holds approximately 30% indirect equity interests in both AES Indiana and AES Ohio. This minority ownership introduces governance considerations in the regulatory approval process. However, the Merger Agreement is structured at the AES parent level, meaning CDPQ does not have a blocking right over the transaction.

The third advantage is geographic and regulatory diversification. AES's presence across 15 countries and its two regulated US utilities provide cash flow diversification. The regulated utilities contribute stable, predictable earnings that anchor the portfolio's overall cash flow stability.

2.3 Financial Profile

AES's financials reflect the fundamental tension of a company in a sustained heavy-investment phase. In FY2025, the company generated total revenue of \$12.2 billion and EBITDA of \$3.4 billion, representing a 28.0% EBITDA margin consistent with its infrastructure-heavy business model. Operating cash flow was \$4.3 billion, considerably improved from \$2.8 billion in FY2024. However, capital expenditure of \$5.9 billion exceeded operating cash flow, producing negative free cash flow of -\$1.6 billion for the year.

This negative free cash flow profile reflects a deliberate investment strategy, not operational failure. AES is building infrastructure today that will generate contracted revenues for the next 15–20 years. Public equity markets struggled to price this appropriately as quarterly earnings pressure and dividend expectations created a persistent valuation discount. At the close of the second quarter of 2025, AES's share price stood at \$10.52, per the 10-K cover page, implying a market capitalisation of approximately \$7.49 billion before acquisition speculation.

Metric (\$mm)	FY2024A	FY2025A
Total Revenue	\$12,278M	\$12,233M
EBITDA	\$3,290M	\$3,427M
EBITDA Margin	26.8%	28.0%
D&A & Accretion	\$1,264M	\$1,457M
Operating Cash Flow	\$2,752M	\$4,306M
Capital Expenditure	(\$7,392M)	(\$5,929M)

Metric (\$mm)	FY2024A	FY2025A
Free Cash Flow	(\$4,640M)	(\$1,623M)
Total Debt	\$29,018M	\$29,897M
Net Debt	\$27,494M	\$28,515M
Shares Outstanding	711.1M	712.2M

Table 1: AES Corporation Key Financial Metrics — FY2024A and FY2025A (Source: AES 10-K FY2025)

The balance sheet reflects the capital intensity of the business. Total debt was \$29.9 billion at the end of 2025, including \$6.0 billion of recourse debt at the parent level and \$23.9 billion of non-recourse project finance debt at the subsidiary level. The transaction is based on the proportional net debt of \$22.7 billion rather than the consolidated net debt of \$27.6 billion, because it excludes debt linked to minority-owned subsidiaries, including CDPQ's 30% stake in the regulated utilities. As a result, the effective leverage assumed by the Consortium is lower than what the consolidated figure suggests. Meanwhile, PP&E increased to \$37.8 billion in FY2025 from \$33.2 billion in FY2024, driven by \$5.9 billion of capital expenditure net of depreciation.

3. Transaction Overview

3.1 Deal Structure

The transaction is structured as a statutory merger. Horizon Parent, L.P., a Delaware limited partnership jointly controlled by investment vehicles affiliated with GIP and EQT Infrastructure, will acquire AES through its wholly owned subsidiary, Horizon Merger Sub, Inc. Once the transaction is completed, Horizon Merger Sub will merge into AES, which will remain the surviving corporation and become a wholly owned subsidiary of Horizon Parent. AES common stock will be delisted from the NYSE.

The Consortium will fund 100% of the purchase price with equity. Importantly, the merger does not depend on the buyers securing financing. This increases deal certainty and differentiates the transaction from typical leveraged buyout structures. The Merger Agreement mentions that AES dividends will continue in the ordinary course until closing, providing shareholders with continued income during the regulatory approval period.

EQT Infrastructure is expected to hold 75–80% of the investment post-close, making it the dominant economic partner. CalPERS, with a net position of \$563 billion as of June 2025, and QIA each bring long-duration capital and institutional credibility that reduces the consortium's blended cost of capital. Both organisations explained their rationale. CalPERS' Sarah Corr mentioned AES's exposure to long-term demand trends as making it a natural fit for their infrastructure portfolio, and QIA's CEO Mohammed Saif Al-Sowaidi described the investment as making energy transition a reality through long-term capital deployment.

AES appointed Ricardo Falú, previously Executive Vice President and Chief Operating Officer, as the company's new President, effective 2 March 2026. Andrés Gluski continues as CEO. This management continuity signal reflects the Consortium's stated commitment to retaining and developing AES talent.

3.2 Offer Terms

Transaction Term	Detail
Offer Price per Share	\$15.00 (all-cash)
Equity Value	\$7.8 billion
Net Debt Assumed	\$22.7 billion (proportional net debt)
Enterprise Value	\$30.5 billion

Transaction Term	Detail
Premium to 30-Day VWAP	40.3% (vs. pre-speculation price, 8 July 2025)
Discount to Pre-Announce	13% (to \$17.28 close, 28 February 2026)
Lead Acquirers	GIP (BlackRock) & EQT Infrastructure
Co-Underwriters	CalPERS & Qatar Investment Authority (QIA)
EQT Stake	75–80% of investment post-close
Merger Vehicle	Horizon Parent, L.P. / Horizon Merger Sub, Inc.
Financing	100% equity — completion not conditioned on financing
Buyer Termination Fee	\$100M or ~\$588M (depending on circumstances)
Company Termination Fee	~\$321M
Outside Date	June 1, 2027 (extendable by two 3-month periods)
Dividends	Continue in ordinary course until closing
Expected Close	Late 2026 or early 2027
Advisors (AES)	J.P. Morgan (lead), Wells Fargo; Skadden, Davis Polk
Advisors (GIP/CalPERS/QIA)	Goldman Sachs
Advisors (EQT)	Citi; Simpson Thacher & Bartlett; Kirkland & Ellis

Table 2: Transaction Summary (Sources: AES/GIP/EQT press release; AES Form 8-K, March 2, 2026)

The offer price of \$15.00 represents a 40.3% premium to the 30-day VWAP before 8 July 2025 (the last full trading day before the first media report of a potential acquisition). The \$30.5 billion enterprise value is calculated on proportional net debt of \$22,724 million and a share count of 712 million as of 31 December 2025.

The Merger Agreement contains termination protections. If the Consortium terminates under certain circumstances (principally regulatory failure), it must pay AES a fee of either \$100 million or approximately \$588 million. If AES terminates (principally to accept a superior proposal), it must pay the Consortium approximately \$321 million. The outside date of 1 June 2027 can be extended by two successive three-month periods if all conditions other than regulatory approvals are met, providing a potential closing runway through to December 2027 if regulatory processes extend.

3.3 Regulatory Approval

The Merger Agreement specifies required approvals from FERC, the PUCO, the New York Public Service Commission, and CFIUS, as well as the expiration of the Hart-Scott-Rodino antitrust waiting period. The need for approval from the New York PSC is due to AES's physical assets and contractual relationships with New York-based counterparties. International approvals will also be required, particularly in Latin America.

FERC review under Section 203 of the Federal Power Act is expected to proceed without major horizontal competition concerns, given GIP and EQT's status as financial investors with no competing generation assets in AES's relevant markets. The key regulatory review will take place at the state level. The Indiana and Ohio commissions have recently completed major rate proceedings with AES Indiana and AES Ohio, and will closely assess the financial fitness of the new owners, along with ring-fencing provisions, rate stability commitments, and capital expenditure plans. The Consortium has publicly committed to maintaining AES Indiana and AES Ohio as locally operated and managed regulated utilities and has stated that the transaction is not expected to impact customer rates.

The participation of QIA triggers mandatory CFIUS review. QIA has cleared CFIUS review in previous US infrastructure investments, and a mitigation agreement is the expected outcome. AES's operations across 15 countries will require additional merger control filings in multiple international jurisdictions, contributing to the 12–18 month expected closing timeline.

4. Valuation and the Premium Paradox

4.1 Premium to Unaffected Price

The standard framework for evaluating M&A offer pricing is the premium to the 'unaffected' share price, which is the price before any deal-related information entered the market. For AES, the reference point is 8 July 2025, the last full trading day before the first media report of a potential acquisition, confirmed precisely in the official press release. At the close of Q2 2025 (30 June), one week prior, AES shares were trading at \$10.52, per the 10-K cover page, implying a market capitalisation of approximately \$7.49 billion.

Against this unaffected reference point, the \$15.00 offer is substantial. The Consortium ascribed approximately \$3.2 billion more in total equity value than the pre-speculation market. This premium reflects the value of removing public market constraints, providing long-term capital, and unlocking the embedded value in AES's contracted book. Public market investors, who focus heavily on quarterly earnings, had consistently discounted this value.

4.2 Market Expectations and Speculation

Between early July 2025 and late February 2026, AES's share price rose from approximately \$10.70 to \$17.28, an increase of 61% driven almost entirely by acquisition speculation. S&P Global Market Intelligence described the deal as 'long-awaited' at the time of announcement, reflecting how thoroughly a transaction had been anticipated by the market for months. By the time the deal was announced, the market had expectations as high as \$18–20 per share.

The 17% single-day decline on announcement day, therefore, reflects not the inadequacy of the deal price relative to fundamental value, but the gap between speculative pricing and the Consortium's disciplined, IRR-anchored offer. Infrastructure funds anchor their offers to fundamental asset value, long-term cash flow models, and target IRR thresholds.

5. Strategic Rationale for the Buyers

5.1 Long-Term Electricity Demand

The foundation of the investment thesis is the structural transformation of US electricity demand. After decades of flat or declining consumption, US power demand set a new record in 2024 and broke it again in 2025, driven by the exponential growth of AI data centre infrastructure. Microsoft, Google, Amazon, Meta, and Oracle have collectively committed hundreds of billions of dollars to new data centre capacity, and each facility requires enormous, continuous, and increasingly clean power. As EQT's Masoud Homyoun stated at the announcement, the Consortium is seeing first-hand the increasing need for a secure energy supply amid expanding power demand worldwide.

A single large-scale AI training facility may consume 200–500 megawatts of continuous power. Goldman Sachs has estimated that data centre power demand will double between 2024 and 2030, adding approximately 47 gigawatts of new demand to the US grid. For AES, this demand shock is already contracted: the 11.8 GW of signed corporate PPAs represents direct, investment-grade-backed revenue commitments from the companies building the AI economy's physical layer.

Beyond data centres, AES Indiana and AES Ohio are themselves experiencing significant demand growth, per the official press release, from the electrification of transportation and industry. The Consortium's commitment to continued investment in utility assets to meet the growing energy needs of all 1.1 million customers reflects this broader electrification thesis alongside the AI-specific driver.

5.2 Infrastructure Investment Opportunities

The energy transition is the largest capital reallocation in the history of global industry. The IEA estimates that annual clean energy investment must reach \$4.5 trillion by 2030. AES's 11.9 GW development pipeline represents approximately \$20–25 billion of capital deployment over the next five years, generating contracted infrastructure assets that will produce stable cash flows for decades.

For the Consortium, AES's pipeline is a pre-identified, pre-contracted queue of investment opportunities. GIP brings \$193 billion in AUM and deep experience in energy infrastructure. EQT Infrastructure, which raised EUR 21.5 billion in 2025, is expected to be 75–80% invested after closing this transaction. EQT's 2025 acquisition of Scale Microgrids, an on-site power project developer, creates meaningful complementary synergies: Scale Microgrids delivers distributed on-site power for data centres; AES delivers utility-scale contracted generation. Under common ownership, the two platforms can offer integrated power solutions across both on-grid and off-grid infrastructure.

The Consortium's decision to assume rather than reduce AES's project finance debt is also strategically significant. Non-recourse project finance, which secures debt against individual project assets rather than the parent balance sheet, allows developers to use asset-level leverage without endangering the holding company. By maintaining this structure, the Consortium preserves AES's capital efficiency while bringing the balance sheet management benefits of private ownership.

5.3 Private Ownership Advantages

The structural advantages of private infrastructure fund ownership are substantial for a business with AES's profile. Most important is the elimination of the quarterly earnings constraint. Public utility companies are under constant pressure to maintain dividend growth trajectories and avoid earnings dilution from growth capex. These pressures are directly incompatible with the sustained investment required to build out a large-scale renewables pipeline.

Under private ownership, the Consortium can reorient AES's management incentives entirely toward long-term asset value and IRR maximisation. Dividend payments that consumed \$501 million in cash in FY2025 can be redirected into the development pipeline. Capital allocation decisions can be made with a 10–15 year investment horizon. The Consortium has explicitly stated it intends to maintain an investment-grade profile, preserving AES's access to capital markets for project finance while removing the public equity market constraints that had suppressed the share price.

Private ownership also enables access to permanent capital structures through infrastructure funds with 10–15 year fixed terms, allowing patient capital deployment that matches the long-duration nature of infrastructure assets. As the AES board concluded, this combination of long-term capital, management continuity, and operational freedom represents superior value to shareholders compared to the alternatives of a dividend cut, large equity issuance, or constrained capital programme.

6. The Role of Private Capital in Energy Infrastructure

The AES acquisition is the latest and largest expression of a structural trend: the migration of critical electricity infrastructure ownership from public equity markets to private infrastructure capital. Assets under management in global infrastructure funds have grown from approximately \$300 billion in 2010 to over \$2 trillion in 2025, according to Preqin. The growth has been driven by institutional investors seeking inflation-linked, long-duration returns with low correlation to public equity markets.

Fund / Manager	AUM / Fund Size	Focus Areas	Selected Investments
GIP (BlackRock)	\$193B AUM	Energy, transport, digital	AES, Aligned Data Centres, Saudi Aramco gas
EQT Infrastructure	€270B total AUM	Energy, digital, logistics	AES, Scale Microgrids, Vertical Bridge
Blackstone Infra	~\$55B	Utilities, energy, transport	TXNM Energy, Invenergy, Cheniere stake
Brookfield Asset Mgmt	~\$300B	Power, renewables, real estate	TerraForm, Inter Pipeline, Origin Energy
KKR Infrastructure	~\$77B	Energy transition, midstream	Calpine (partial), Uniti Group
CPP Investments	~\$27B infra	Renewables, utilities, ports	Pattern Energy, ITC Holdings, Albioma

Table 4: Leading Infrastructure Fund Managers and Selected Energy Investments (Sources: Fund disclosures, press releases; AUM approximate as of early 2026)

The energy transition has accelerated this migration by creating a growing supply of infrastructure investment opportunities requiring patient capital. The AES consortium itself illustrates the breadth of this capital pool: GIP (a dedicated infrastructure manager within the world’s largest asset manager), EQT (a Swedish-headquartered firm with EUR 270 billion in total AUM and an infrastructure strategy spanning energy, digital, and logistics), CalPERS (the largest US public pension fund serving nearly 2.4 million members), and QIA (the sovereign wealth fund of Qatar) are all independently motivated to own long-duration power infrastructure assets.

The wave of utility take-privates since 2024 reflects that public equity markets cannot efficiently fund the capital programmes required by the energy transition. Public markets penalise FCF-negative companies with valuation discounts; however, infrastructure funds are designed to hold them. The result is an accelerating transfer of assets from public to private ownership. As CalPERS’s Sarah Corr stated, AES’s exposure to long-term demand trends makes it a natural fit for infrastructure portfolios.

Privatisation also raises governance questions. As more critical infrastructure moves out of public ownership, state utility commissions and FERC become increasingly important as checks on private owner behaviour. The conditions attached to change-of-control approvals in Indiana and Ohio represent a direct substitution of regulatory oversight for market governance. Ring-fencing provisions, rate stability commitments, and capital expenditure plans imposed as regulatory conditions become the principal mechanism through which public interests are protected. This model works well when enforced rigorously, but that requires sustained regulatory supervision.

7. Implications for the Electricity Market

The AES acquisition, viewed in isolation, is a large and complex M&A transaction. Viewed in context, it is a signal about the future of electricity infrastructure with profound implications for how power is produced, owned, and priced in the AI era.

The most immediate implication is the accelerating commoditisation of electricity infrastructure as a financial asset class. When GIP/BlackRock, EQT, Blackstone, KKR, and Brookfield are competing to own power generators and distribution utilities, they are applying the same analytical framework as toll roads, airports, and pipelines, regulated or contracted monopolies producing stable, inflation-linked cash flows, valued on yield and IRR. This financial reframing has consequences for how the sector is managed, how rates are set, and how investment decisions are made.

The second implication is the increasing strategic importance of contracted power supply for technology companies. The hyperscalers' willingness to sign 15–20 year PPAs reflects their understanding that electricity supply is becoming a strategic constraint on their business models. The corporate PPA market, which AES leads, is the mechanism through which technology companies secure their power supply. As AI compute demand continues to grow, this market will deepen and expand, and its dominant participants will become increasingly critical strategic assets.

Third, the transaction highlights the deep interdependence between the AI economy and the electricity economy. The growth of AI increases power demand as the need for clean power drives the energy transition, which creates infrastructure investment opportunities, and those opportunities attract institutional capital, which funds the infrastructure and enables further AI development. This feedback loop is now operating at a scale that is simultaneously transforming both sectors.

Finally, the transaction highlights a supply constraint dynamic with long-term pricing implications. AES's 11.9 GW development pipeline represents years of origination, permitting, and contracting work that cannot be replicated quickly. The Consortium is acquiring not just existing assets but a development platform and contracted pipeline that would take a new entrant a decade to build.

8. Conclusion

The GIP/EQT acquisition of AES Corporation sits at the intersection of three of the most powerful forces in the contemporary global economy. The exponential growth of AI infrastructure demand, the structural inadequacy of public equity markets to fund long-duration capital-intensive assets, and the emergence of private infrastructure capital as the dominant ownership model for critical power assets.

The deal occurred because AES had reached the limits of what public market financing could sustain, given its investment ambitions. The AES board's own conclusion was clear, stating that the company would likely have required a reduction or elimination of the dividend and/or substantial new equity issuances. The Consortium, supported by independent fairness opinions from J.P. Morgan and Wells Fargo, offered a 40.3% premium to unaffected fair value and the financial flexibility to sustain and accelerate the growth strategy.

The transaction reveals something important about the changing economics of electricity infrastructure. As the power sector becomes the critical bottleneck of the AI economy, electricity infrastructure is being repriced not just in valuation multiples, but in the type of ownership it attracts and the time horizon over which it is evaluated.

The valuation is fair but not generous. At 9.7x FY2025A EBITDA, the Consortium paid a multiple consistent with comparable transactions and the quality of AES's contracted book. The margin for error is limited by negative free cash flow and elevated leverage, and the transaction's success ultimately depends on three conditions. Sustained AI power demand growth, policy stability for renewable energy incentives, and disciplined capital allocation by the Consortium.

The broader implication is that the AES transaction is not an endpoint but a milestone. The forces that drove it are all still accelerating. What the deal demonstrates, above all, is that in the AI era, one of the most strategically important assets besides algorithms, chips, or data centres, is the wires, turbines, and solar panels that make it all run.

References

AES Corporation. (2026, March 2). Consortium Led by Global Infrastructure Partners and EQT Agrees to Acquire AES. AES Energy Insights. <https://www.aes.com/energy-insights/consortium-led-global-infrastructure-partners-and-eqt-agrees-acquire-aes>

EQT Group. (2026, March 2). Consortium Led by Global Infrastructure Partners and EQT Agrees to Acquire AES. EQT News. <https://eqtgroup.com/news/consortium-led-by-global-infrastructure-partners-and-eqt-agrees-to-acquire-aes-2026-03-02>

Global Infrastructure Partners. (2026, March 2). Consortium Led by Global Infrastructure Partners and EQT Agrees to Acquire AES. GIP News. <https://www.global-infra.com/news/consortium-led-by-global-infrastructure-partners-and-eqt-agrees-to-acquire-aes/>

AES Corporation. (2026, March 2). Form 8-K: Entry into a Material Definitive Agreement (Merger Agreement with Horizon Parent, L.P.). SEC EDGAR. <https://d18rn0p25nwr6d.cloudfront.net/CIK-0000874761/6e9d840e-e194-4e59-bfa2-c1f345fb6c02.pdf>

AES Corporation. (2026). Form 10-K Annual Report for the Year Ended December 31, 2025. SEC EDGAR. <https://d18rn0p25nwr6d.cloudfront.net/CIK-0000874761/edcc39ed-2150-4680-aa67-726f121df92f.pdf>

S&P Global Market Intelligence. (2026, March 2). AES Shares Fall After Long-Awaited \$10.7B Take-Private Acquisition Is Announced. <https://www.spglobal.com/market-intelligence/en/news-insights/articles/2026/3/aes-shares-fall-after-long-awaited-10-7b-take-private-acquisition-is-announced-99233483>

The Wall Street Journal. (2026, March 2). BlackRock, EQT-Led Consortium to Acquire AES for \$10.7 Billion. <https://www.wsj.com/finance/investing/blackrock-eqt-led-consortium-to-acquire-aes-for-10-7-billion-5dcd435b>

BloombergNEF. (2025). Corporate Energy Market Outlook — Top Sellers of Clean Energy to Corporations in the US and the Americas.

Goldman Sachs. (2024). Generational Growth: AI, Data Centres and the Coming US Power Demand Surge. Equity Research.

International Energy Agency. (2024). World Energy Investment 2024. IEA Publications.

Preqin. (2025). Global Infrastructure Report: AUM, Fundraising, and Deal Trends.

Damodaran, A. (2026, January). Country Risk and Equity Risk Premiums. New York University Stern School of Business.

Appendix

AES CORPORATION

M&A Valuation Analysis | GIP / EQT Take-Private | March 2026

Roberto Bodegas | M&A Society

TRANSACTION SUMMARY		KEY FINANCIAL METRICS (FY2025A)		
Acquirer Consortium	GIP (BlackRock) / EQT Infra VI	Metric	FY2025A	FY2024A
Co-Investors	CalPERS / QIA	Total Revenue	\$12,233M	\$12,278M
Target	The AES Corporation (NYSE: AES)	EBITDA	\$3,427M	\$3,290M
Transaction Type	Take-Private (All-Cash)	EBITDA Margin	28%	27%
Offer Price per Share	\$15.00	D&A	\$1,457M	\$1,264M
Equity Value	\$10.7B	Capex	\$5,929M	\$7,392M
Net Debt Assumed	\$22.7B	Operating Cash Flow	\$4,306M	\$2,752M
Enterprise Value	\$33.4B	Free Cash Flow	-\$1,623M	-\$4,640M
Announcement Date	March 2, 2026	Total Debt	\$29,897M	\$29,018M
Expected Close	Late 2026 / Early 2027	Net Debt	\$28,515M	\$27,494M
Lead Advisors (AES)	J.P. Morgan / Wells Fargo	Shares Outstanding	712.2M	711.1M
Lead Advisors (GIP)	Goldman Sachs	Market Cap (at deal)	\$10,683M	—
Lead Advisors (EQT)	Citi	EV/EBITDA (at deal)	9.7x	10.2x

MODEL NAVIGATION	
Cover	Transaction overview & key statistics
Actuals	FY2023A – FY2025A full P&L, CF, Balance Sheet
Assumptions	All model drivers & WACC inputs
Forecast	FY2026E – FY2030E FCFF projection
DCF / Equity Bridge	Discounted cash flow & equity bridge [embedded in Forecast tab]
Sensitivities	WACC x Exit Multiple two-way tables

AES CORPORATION — HISTORICAL FINANCIALS

INCOME STATEMENT (\$mm)	FY2023A	FY2024A	FY2025A	CASH FLOW (\$mm)	FY2023A	FY2024A	FY2025A
Revenue				Net Income (Loss)	(182)	802	162
Non-Regulated	9,245	8,756	8,195	D&A & Accretion	1,147	1,264	1,457
Regulated	3,423	3,522	4,038	Emissions Allowance	264	238	361
Total Revenue	12,668	12,278	12,233	Derivatives (gain)/loss	143	(143)	48
Cost of Sales				Impairment Expense	1,079	374	337
Non-Regulated	(7,173)	(6,985)	(6,603)	Tax Credit Transfers	-	220	1,028
Regulated	(2,991)	(2,979)	(3,419)	Other Non-Cash Items	273	89	714
Total Cost of Sales	(10,164)	(9,964)	(10,022)	Working Capital Changes	310	(92)	199
Gross Profit	2,504	2,314	2,211	Operating Cash Flow	3,034	2,752	4,306
G&A Expenses	(255)	(288)	(241)	Capital Expenditures	(7,724)	(7,392)	(5,929)
EBIT (Operating Income)	2,249	2,026	1,970	Acquisitions (net)	(542)	(246)	(108)
D&A (from Cash Flow)	1,147	1,264	1,457	Proceeds from Disposals	254	423	108
EBITDA	3,396	3,290	3,427	Other Investing	(176)	(485)	(281)
EBITDA Margin	26.8%	26.8%	28.0%	Investing Cash Flow	(8,188)	(7,700)	(6,210)
Interest Expense	(1,319)	(1,485)	(1,407)	Net Debt Issuance	3,602	4,651	431
Interest Income	551	381	287	Supplier Financing	367	(8)	(301)
Net Interest Expense	(768)	(1,104)	(1,120)	NCI / Subsidiary Finance	2,011	1,039	2,458
Income Before Tax	1,481	922	850	Dividends Paid	(444)	(483)	(501)
Income Tax (Benefit)/Expense	261	59	(181)	Other Financing	(131)	(236)	(112)
Net Income (Loss)	(182)	802	162	Financing Cash Flow	5,405	4,963	1,975
NCI / Redeemable Stock	(431)	(877)	(748)	Free Cash Flow (OCF-Capex)	(4,690)	(4,640)	(1,623)
Net Income Attributable	249	1,679	910	BALANCE SHEET HIGHLIGHTS (\$mm)	FY2024A	FY2025A	
EPS — Diluted	0.35	2.36	1.26	Cash & Equivalents	1,524	1,382	
				Total Current Assets	6,831	6,502	
				PP&E, Net	33,166	37,818	
				Total Assets	47,406	51,768	
				Current Recourse Debt	899	879	
				Current Non-Recourse Debt	2,688	2,232	
				Non-Current Recourse Debt	4,805	5,105	
				Non-Current Non-Recourse Debt	20,626	21,681	
				Total Debt	29,018	29,897	
				Net Debt (Total Debt - Cash)	27,494	28,515	
				AES Corp Stockholders' Equity	3,644	4,063	
				Noncontrolling Interests	4,060	5,042	
				Total Equity	7,704	9,105	
				Total Liab + Equity	47,406	51,768	

AES CORPORATION — MODEL ASSUMPTIONS

Blue = hardcoded input | Black = formula | Green = cross-sheet link

ASSUMPTION DRIVER	2025A	2026E	2027E	2028E	2029E	2030E
REVENUE DRIVERS						
Total Revenue (\$mm)	12,233					
Non-Regulated Revenue (\$mm)	8,195					
Regulated Revenue (\$mm)	4,038					
Non-Regulated Rev Growth %		4.0%	5.0%	6.0%	6.0%	5.0%
Regulated Rev Growth %		4.0%	4.5%	4.0%	4.0%	3.5%
Non-Regulated Revenue (\$mm) — Forecast	8,195	8,523	8,949	9,486	10,055	10,558
Regulated Revenue (\$mm) — Forecast	4,038	4,200	4,388	4,564	4,747	4,913
Total Revenue — Forecast (\$mm)	12,233	12,722	13,337	14,050	14,802	15,471
MARGIN & COST DRIVERS						
COGS as % of Revenue	(81.9%)	81.8%	81.5%	81.0%	80.5%	80.0%
EBITDA Margin %	28.0%	28.3%	28.7%	29.0%	29.3%	29.5%
G&A (\$mm)	(241)	(245)	(250)	(255)	(260)	(265)
D&A (\$mm)	1,457	1,550	1,650	1,750	1,850	1,950
CAPITAL EXPENDITURE ASSUMPTIONS						
Capex (\$mm)	(5,929)	(5,500)	(4,500)	(3,500)	(3,000)	(2,500)
Capex as % of Revenue	48.5%	43.2%	33.7%	24.9%	20.3%	16.2%
WORKING CAPITAL & OTHER						
Change in Net Working Capital (\$mm)	199	(50)	(40)	(30)	(25)	(25)
WACC ASSUMPTIONS (CAPM)						
Risk-Free Rate (10Y UST)	4.30%					
Equity Risk Premium (ERP)	5.50%					
Levered Beta	1.05					
Cost of Equity (CAPM)	10.08%					
Pre-Tax Cost of Debt	5.20%					
Tax Rate	21.00%					
After-Tax Cost of Debt	4.11%					
Market Cap at Deal (\$mm)	10,683					
Total Debt at Deal (\$mm)	29,897					
Total Capital (\$mm)	40,580					
Weight of Equity (E/V)	26.33%					
Weight of Debt (D/V)	73.67%					
WACC	5.68%					
TERMINAL VALUE ASSUMPTIONS						
Exit Multiple	10.0x					
Perpetuity Growth Rate (g)	2.0%					
EQUITY BRIDGE INPUTS						
Net Debt (deal terms: \$22.7B assumed)	22,700					
Diluted Shares Outstanding (mm)	712					
Deal / Current Share Price (\$)	\$15.00					

AES CORPORATION — FCFF PROJECTION MODEL (2025A – 2030E)

Amounts in \$mm. 2025A = actuals from 10-K. 2026E–2030E = model projections. Blue = hardcoded. Black = formula. Green = cross-sheet.

LINE ITEM	2025A	2026E	2027E	2028E	2029E	2030E
REVENUE						
Non-Regulated Revenue	8,195	8,523	8,949	9,486	10,055	10,558
Regulated Revenue	4,038	4,200	4,388	4,564	4,747	4,913
Total Revenue	12,233	12,722	13,337	14,050	14,802	15,471
COSTS						
Cost of Sales	(10,022)	(10,407)	(10,870)	(11,380)	(11,915)	(12,376)
G&A Expenses	(241)	(245)	(250)	(255)	(260)	(265)
EBIT (Operating Income)	1,970	2,070	2,217	2,414	2,626	2,829
Add: D&A	1,457	1,550	1,650	1,750	1,850	1,950
EBITDA*	3,427	3,620	3,867	4,164	4,476	4,779
EBITDA Margin %	28.0%	28.5%	29.0%	29.6%	30.2%	30.9%
FCFF BRIDGE						
Tax Rate	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
NOPAT [= EBIT × (1 – t)]	1,556	1,636	1,752	1,907	2,075	2,235
(+) D&A	1,457	1,550	1,650	1,750	1,850	1,950
(–) Capital Expenditures	(5,929)	(5,500)	(5,200)	(4,900)	(4,600)	(4,300)
(–) Change in Net Working Capital	199	(50)	(40)	(30)	(25)	(25)
UNLEVERED FREE CASH FLOW (FCFF)	(2,717)	(2,364)	(1,838)	(1,273)	(700)	(140)
DCF COMPUTATION						
WACC	5.68%	5.68%	5.68%	5.68%	5.68%	5.68%
Discount Factor [mid-year convention]		0.97	0.92	0.87	0.82	0.78
PV of FCFF		(2,300)	(1,692)	(1,108)	(577)	(109)
TERMINAL VALUE						
Terminal Year EBITDA (\$mm)						4,779
Exit Multiple (EV/EBITDA)						10.0x
Terminal Value (Gross)						47,791
Discount Factor for TV (5 yr)						0.76
PV of Terminal Value						36,258
ENTERPRISE & EQUITY VALUE						
Sum of PV (FCFF, 2026E–2030E)						(5,787)
ENTERPRISE VALUE (Sum PV FCFFs + PV TV)						30,471
(–) Net Debt (deal terms)						(22,700)
EQUITY VALUE (\$mm)						7,771
Implied Share Price						\$10.91
Deal Share Price (\$15.00)						\$15.00
Premium Paid (Deal vs DCF)						37.5%

TABLE 1: IMPLIED SHARE PRICE WACC vs. Exit Multiple (EV/EBITDA)						
WACC \ Exit Mult	8.0x	9.0x	10.0x	11.0x	12.0x	13.0x
4.0%	\$3.92	\$9.43	\$14.95	\$20.47	\$25.98	\$31.50
4.5%	\$2.94	\$8.32	\$13.71	\$19.09	\$24.48	\$29.86
5.0%	\$1.98	\$7.24	\$12.50	\$17.75	\$23.01	\$28.27
5.5%	\$1.05	\$6.19	\$11.32	\$16.46	\$21.59	\$26.73
6.0%	\$0.15	\$5.17	\$10.18	\$15.20	\$20.21	\$25.23
6.5%	(\$0.72)	\$4.18	\$9.08	\$13.97	\$18.87	\$23.77

TABLE 2: IMPLIED ENTERPRISE VALUE (\$mm) WACC vs. Exit Multiple						
WACC \ Exit Mult	8.0x	9.0x	10.0x	11.0x	12.0x	13.0x
4.0%	25,492	29,420	33,348	37,276	41,204	45,132
4.5%	24,791	28,626	32,461	36,296	40,131	43,966
5.0%	24,111	27,856	31,601	35,345	39,090	42,834
5.5%	23,451	27,108	30,765	34,421	38,078	41,735
6.0%	22,810	26,381	29,953	33,524	37,095	40,666
6.5%	22,187	25,676	29,164	32,652	36,140	39,628

TABLE 3: IMPLIED SHARE PRICE EBITDA Growth (2026–30 CAGR) vs. Exit Multiple						
CAGR \ Exit Mult	8.0x	9.0x	10.0x	11.0x	12.0x	13.0x
2.0%	(\$3.22)	\$1.38	\$5.98	\$10.58	\$15.17	\$19.77
4.0%	(\$4.47)	(\$0.02)	\$4.42	\$8.86	\$13.30	\$17.74
5.0%	(\$2.72)	\$1.94	\$6.59	\$11.25	\$15.91	\$20.57
6.0%	(\$0.91)	\$3.97	\$8.86	\$13.74	\$18.63	\$23.51
8.0%	\$2.91	\$8.28	\$13.64	\$19.01	\$24.37	\$29.73
10.0%	\$7.04	\$12.92	\$18.80	\$24.68	\$30.55	\$36.43

