

Central Puerto S.A. (NYSE:CEPU) Q1 2026 Earnings Call Transcript

May 13, 2026

Operator: Good morning, ladies and gentlemen. Welcome to Central Puerto's First Quarter of 2026 Earnings Conference Call. A slide presentation is accompanying today's webcast and will be also available on the Investors section of the company's website, www.centralpuerto.com/en/investors. [Operator Instructions] Please note, this event is being recorded. If you do not have a copy of the press release, please refer to the Investor Relations support section on the company's corporate website at www.centralpuerto.com. In addition, a replay of today's call will be available in upcoming days by accessing the webcast link at the same section of the Central Puerto's website. Our host today will be Mr. Fernando Bonnet, Central Puerto's CEO; Mr. Enrique Terraneo, the company's CFO; and Mrs. Maria Laura Feller, Head of Investor Relations; and Mr. Alejandro Diaz Lopez, Head of Corporate Finance. Maria Laura, please go ahead.

Maria Feller: Thank you very much. Good morning, and welcome, everyone. We are joining you today from Buenos Aires with our management team to report on the results of the first quarter of 2026 and to answer any questions you may have. Before we begin, I would like to remind everyone that today's presentation, as referenced on Slide 2, contains forward-looking statements and non-IFRS financial measures, including adjusted EBITDA. These statements are based on management's current expectations and are subject to risks and uncertainty. Please refer to the full disclaimer in our slide deck and on our website for further information. The company has changed its functional currency from Argentine pesos to US dollars effective January 1, 2026, so applicable to 1Q '26 financial figures.

For previous quarters, figures are presented in U.S. dollars converted from Argentine pesos using the reference exchange rate reported by the Argentine Central Bank at the end of each period. With that, let us move to the highlights of the quarter. Turning to Slide 3. The first quarter 2026 was a strong quarter for Central Puerto, characterized by outstanding commercial execution and continued progress in market normalization following Resolution 400/25. Let me walk you through our key metrics. Adjusted EBITDA reached \$120.0 million, representing a 41.6% increase quarter-on-quarter versus \$84.7 million in 4Q '25 and 33.4% year-on-year growth versus \$89.9 million in 1Q '25. This result reflects the full benefit of new generation assets, commercial contracting gains and the normalization of the wholesale electricity market.

Revenues totaled \$248.6 million, up 43.8% quarter-on-quarter versus 4Q '25 and up 26.7% year-on-year versus 1Q '25, driven by higher contracted and spot revenues. The contribution of Brigadier Lopez combined cycle and the new solar farms added in 2025. Total generation for the quarter was 5,420 GWh, a 54.2% increase quarter-on-quarter, largely reflected by Oxion, Bisolar and Emani. Total [indiscernible] restoration of Central Costanera combined cycle units and the addition of new installed capacity. Capital expenditure for the quarter amounted to USD 311.0 million including the USD 245.0 million payment for the transfer of Piedra del Aquila shares following the concession award renewal and USD 66.0 million in BESS construction and maintenance works.

Our net financial leverage ratio stands at 1.06x with net financial debt of \$390.8 million against the last 12 months adjusted EBITDA of \$367.2 million. FONINVEMEM credit outstanding balance is \$105.8 million. On the credit rating front, we received an upgrade to AAA from Moody's Argentina. From a strategic perspective, the concession renewal of Piedra del Aquila for 30 years to January 2056 is a landmark achievement, securing a flagship hydro asset under a new long-term framework. Additionally, our

BESS project at the Central Puerto facility is advancing well with 60% of site works completed, 32 concrete pads finished, and Phase 1 of the 132 kV yard work done. Market normalization continues under Resolution 400/25, and Central Puerto has achieved a leading commercial position in the newly established term market.

More on that on the next slide. Moving to Slide 4. In the first quarter of 2026, Central Puerto achieved a decisive commercial breakthrough under the new market framework established by Resolution 400/25. Our contracting performance in the newly established term market, we could highlight that. Central Puerto held #1 market share in MAT-P, the contracted capacity segment for thermal and hydro process. In MAT-E, the contracted energy segment for thermal and hydro, Central Puerto held the #2 market share. Overall, 44% of our 1Q '26 revenues were generated from contracted sales, demonstrating our ability to quickly capitalize the market opportunities. Turning to Slide 5 for the earnings summary. First quarter 2026, adjusted EBITDA came in at USD 120.0 million with an adjusted EBITDA margin reflecting efficient operations and a better revenue mix.

The 41.7% quarter-on-quarter increase was driven by higher spot revenues from market normalization under Resolution 400/2025. The contribution of the Brigadier Lopez combined cycle, which achieved its COD in January 2026 with an additional gas turbine closing the c-cyc configuration, adding 140 megawatts. Full quarter contributions from [indiscernible] 2025 solar acquisitions, Cafayate and San Carlos and the solid performance of our wind farms. On the revenue side, the 44% quarter-on-quarter increase to \$248.6 million reflected contracted revenues growing from new PPA sales from Brigadier Lopez, active participation in MAT contracting and contributions from Piedra del Aguila. Spot revenues improving due to market normalization, restored volumes at Central Costanera following its 4Q '25 maintenance and \$8 million from self-procured natural gas.

On a year-on-year basis, the 33.5% EBITDA growth and 27% revenue growth thus caused the structural improvement in our earnings profile. Moving to Slide 6 for a review of our generation and availability performance. Total generation for the quarter was 5,420 GWh, up 54% quarter-on-quarter. This significant jump was primarily driven by the maintenance works of Central Costanera Mitsubishi and Siemen's combined-cycle units, which have been under maintenance during 4Q '25. The addition of Brigadier Lopez combined cycle, which contributed incremental generation since its COD in January 2026, adding plus 140 megawatts to our installed capacity on a quarter-on-quarter basis. In the first quarter, Central Puerto acquired 100% of the shares of Patagonia Energy S.A. or PESA for a total consideration of \$50 million.

PESA holds a 10-year conventional exploitation license for the Aguada del Chivato & Aguada de Bocarey blocks in Neuquen province, valid through May 2031. The investment thesis is compelling for several reasons. The blocks cover over 27,000 oil-focused acres in the northern area of the Vaca Muerta play, an area adjacent to blocks that have already derisked the black oil window of this world-class formation, low entry cost per acre and a limited exploratory phase plan with an existing oil treatment plant facility of 1,900 barrels per day already in operation. Solid geological evidence of unconventional hydrocarbon potential in cargo landing zones, assessed by qualified geologists based on existing conventional drilling data. Under a successful development scenario, this is a potential REJ-related investment opportunity of up to \$600 million to unlock the potential value of these assets.

We are currently advancing a derisking plan backed by international unconventional play experts. Our balance sheet remains solid, though the quarter was capital intensive due to the Piedra del Aquila concession transaction. Total outstanding financial debt stands at \$539.2 million against cash and financial current assets of \$148.4 million, resulting in a

net financial debt of \$390 million. Against our last 12 months adjusted EBITDA of \$367.2 million, this yields a net leverage ratio of 1.06x. First quarter 2026 marks a pivotal inflection point for Central Puerto. Our results reflect sustained revenue, margin and EBITDA growth, driven by strong commercial execution, operational excellence and the contribution of the new power generation assets incorporated through our capital plan over the past 2 years.

Our 2026 outlook is constructive. We expect continued operational excellence and financial performance with BEES (sic) [BESS] projects progressing towards their mid-2027 commercial present date, ongoing market normalization providing further revenue upside and incremental contracting opportunities with large users and distribution companies materializing as the market matures. We remain firmly committed to delivering long-term value for our shareholders, and we are excited about the opportunities ahead for Central Puerto. Thank you very much for your interest and confidence in Central Puerto. Operator, please open the line for questions.

Operator: [Operator Instructions] Our first question comes from Mathias Cataluzi with AdCap.

Matias Cattaruzzi: I got 3 questions. First, in the first quarter, we observed that post maintenance generation rebound flowed primarily into the spot market rather than into contracted PPAs. With PPAs volumes growth as we are seeing, it would be more gradual, right, for 2026. Could you share with us how the migrations towards more contracting and PPAs is progressing into 2026? And then I got another question on how do you expect self-procurement in fuels affecting CEPU going forward? Do you expect to access gas transportation capacity through the Perito Moreno expansion? Or do you see a reliance on CAMMESA's Plan Gas going forward? And then I got a final question. Following the closing of the transaction with Patagonia Energy, could you walk us through the specific

time line for the 2 shale pilots? And have you been in conversations with other potential operating partners? Or does it involve a stand-alone development?

Fernando Bonnet: Okay. Thank you for your question. Going one by one. The first that you asked is related to the migration from the spot market to the contracted market. We are, in fact, in the first quarter and right now advancing that area. So for the first 20% that the regulation allows to us to sell to the private consumers, we are full contracted there right now. And so we are now keep going in the other 80% that we can only sell to the distribution companies. It is the regulation as is right now. So we are trying to — we are starting to moving that 80% that we still sell to the spot market negotiating with distribution companies. And right now, we are having a good advance with them, and we expect that to have more news about that in next quarter.

That is the first question. The second you mentioned, I think, is related to the gas transportation. In terms of gas transportation, we participate in the TGS auction. We received — it was an auction very competitive. So we have — we received less than we asked — we received around 400,000 milli cubes and we ask for 1.6 million. So we are still trying to get in the next round of the TGS auction for gas transportation there. And we are talking with distribution companies also to have more transportation. In terms of the gas itself, we are working — right now, we are still in the Plan Gas with CAMMESA, but we are — we have advanced conversation with all gas producers to start buying our own gas. So I think that in the next 2 months, we will have news related to that.

It's not easy because there is no producer except Pampa that get out of Plan Gas, Pampa by using their own generation. So there is no private producer yet outside the Plan Gas, but we have an advanced conversation with some of them, and we expect news for the next 2 or 3 months in order to start buying the gas directly, not through CAMMESA. And in terms of

alternative fuels like diesel oil, fuel oil and LNG or import gas, we are working and we are right now buying our own fuel and gas. We are having that set with CAMMESA. And the last one is the acquisition of PESA. We are, as — as Laura mentioned, we are working with a U.S. company in order to develop the development phase for the 2 pilots, 2 or 3 wells that we are thinking on doing in order to confirm the resources there and work for the license with the province.

But right now, we don't have a fixed timing to comment. But we expect that this is going to happen perhaps last quarter or this year or the first of the next one because you need to bring all the drilling sets and that take time right now, like — between 4 and 5 months. So that could be the timing, but it's not fully closed yet.

Matias Cattaruzzi: Great. I got a follow-up on generation volumes going forward in 2026. Do you expect PPA contracted volumes to continue growing during 2026 or to stay steady as you've shown in the first quarter? And what will happen with the spot market generation as well?

Fernando Bonnet: No, yes. As I mentioned before, we expect to do — to have — to increase our PPAs, especially with distribution companies. That is the idea that we are looking for. As I mentioned, we are in the private PPAs with big industries. We are almost at 100% of our capacity right now, regulated capacity, but we have something to do related to distribution company. We can go up to that 20% when we start a negotiation with distribution company. So that is what we are looking for in the next quarters.

Matias Cattaruzzi: Great. And do you have a specific contract time line of the new contracts, like they are yearly contract, 2 yearly contracts?

Fernando Bonnet: Yes. Normally, we are seeing, yes, 1 year or not more than 2 years, yes. This is for thermal. When you go to renewables, that could be perhaps bigger than that, 3 years, 5 years.

Operator: Next question from [Thomas Pericin with Balem.]

Unknown Analyst: Can you hear me?

Fernando Bonnet: Yes. Thomas.

Unknown Analyst: Okay. Congratulations on the results first. I have 3 questions. I will go one by one, if that's okay. Just a quick follow-on of the previous question. First, how much capacity do you consider can be contracted under energy PPAs with DisCos and industrial users? And how much have you effectively contracted to date? And if you see feasible to close PPAs with DisCos this year?

Fernando Bonnet: You asked about capacity, not energy. So capacity, we are fully contracted right now. Our capacity are fully contracted. But previously, I talked about energy. So I think during this year, yes, we can have — of course, this is one by one. Each DisCo has the process itself, but I expect to have contracts with DisCos perhaps the first ones during this year, yes.

Unknown Analyst: Okay. The second one, regarding the TGS transport capacity, how much additional capacity do you still need to fully cover your fuel needs once planned gas expire? And how challenging do you think this will be considering current bottlenecks in the system?

Fernando Bonnet: Well, that's the question is, I think it's very big to discuss perhaps in a few minutes. But you need to consider that we more or less consume perhaps between 10 million and 12 million meter cubic per day. But this doesn't mean that we need all this firm capacity because there is a lot of capacity in the pipelines, except in the winter time. So we want to have the capacity that we need for the contract that we have, and this is less — much more less than the oil gas that we consume. But as I mentioned, in the TGS bidding process, we asked for 1.6 million, and we received 400 million. So I think we want to at least cover that 1.6 million to be — to have firm gas during winter, which is the period that is important to have it.

But the rest of the year is not — the transportation is not the problem. So the problem is during perhaps 30, 45 days during winter. So in that moment

is when we're going to need this additional firm capacity. But as I mentioned, 1.6 million, 2 million is what we expect to have...

Unknown Analyst: Okay. And last one regarding your recently acquisition in Vaca Muerta. Do you have an estimated CapEx for the 2 or 3 wells that are you thinking to develop?

Fernando Bonnet: Not yet, but it's normal, what we expect is the normal values that the industry have there is around \$17 million per well.

Operator: Next question from [Theodora Nasheba with [indiscernible]Capital.] I believe she's having some technical issues. We are going to go ahead with our next question from [Marcus Seru with Alaya] A few questions. Number one, could you explain more about the plans in Vaca Muerta? And second, leverage ratio guidance for December 2026?

Fernando Bonnet: Okay. Well, in terms of Vaca Muerta, first, our plan is, of course, entering the area and trying to develop the area that we acquired. That is our plan. It's an area of 27,000 acres. So there is a lot to do there. So this is the first time that we are going to — we enter in oil and gas business. So we need to derisk the area to start understanding the business, and this will be — take perhaps a couple of years. Of course, we're going to look at opportunities if appear, but our first focus is to develop this area. And it's an area that could be — could place a [indiscernible] there. So we need to work for the [indiscernible] also and to have the same. So this is our main focus right now to develop in Vaca Muerta.

And we're going to see how it works and if we could enlarge that. In terms of leverage, it will depend on the opportunities. We're going to still see opportunities in M&A in our sector, in energy sector coming from private or coming from government auctions. So that — the leverage ratio is going to depend on that opportunities that we can develop that opportunities and — but we are not expecting gross 2.5 or that area, it will depend on the opportunities appearing and what we can get it or not.

Operator: Our next question comes from [indiscernible] with [indiscernible] Capital.

Unknown Analyst: I hope you can hear me now?

Fernando Bonnet: Yes.

Unknown Analyst: Sorry. Yes, Internet in London is crazy. So just taking back to like the liberalization and spot market. Can you — maybe you mentioned it, but I couldn't hear you well. Can you mention again what is the realized price in legacy energy and capacity, how you see going forward with PPAs? You mentioned the private ones, but I also saw there's something about CAMMESA potentially launching a small auction again, if you can...

Fernando Bonnet: A lot of questions in one, but going one by one. In terms of prices, that's very — there is no clear market right now. So we see each negotiation each by each. So depending on the timing, depending on if you're acquiring renewables, if you're acquiring hydro, if you're acquiring thermal. So it's not easy to set the price for the whole market. But for sure, it is higher than the spot market prices. That's a good news. But it's depending on, as I mentioned, the counterpart, if you are acquiring hydro or depending on the technology, but are better — we are seeing better prices, much more better price than the spot market. In terms of new options, CAMMESA possible new options are coming — there are one auction in place, which is then AlmaSADI auction is an auction for battery storage system in old country, not as the previous one that we win.

It was related to AMBA area to Buenos Aires area. This new auction is for the whole country and this 700 megawatts of capacity, battery capacity, and we are looking to participate there. We are developing projects to participate there. But there are — CAMMESA are talking about new capacity auctions and — but it's not still launched. They expect to launch some capacity auction, thermal capacity auction for I don't know, perhaps the second half of this year. But we don't have a precision about quantity

of megawatts or a specific regulation scheme that's not completely say by CAMMESA yet.

Unknown Analyst: I understand. And isn't that CAMMESA launching another thermal auction, isn't that a step back? The whole idea of this liberalization was to move away from the CAMMESA PPAs and now they're doing it again.

Fernando Bonnet: Well, more or less because all over the world, the capacity auction is launched by the system regulator. It's not easy for distribution companies or privates to go for capacity because it depends on a lot of — on the growth of the demand, the whole system. So in Brazil, Brazil do the same and has a more free market that was in Argentina. So — and Chile and it's normal that the system regulator launched the capacity in advance, trying to look forward to the whole system demand and try to cover that. But it's not energy, it's capacity. So I didn't see it as back because the electricity and the energy will still be contracted by private companies and the distribution companies. But the capacity is different. So I only see that capacity auction.

No new PPAs related to energy. That is something that CAMMESA has said that it is not going back. But capacity, especially when you are trying to look the system for 3, 4, 5, 10 years in advance, it's something that the system regulator have a better understanding around the needs of the system in terms of capacity.

Unknown Analyst: Okay. And just to clarify on thermal spot legacy, what is the realized price that you're getting at the moment because it's subject to this frac-up.

Fernando Bonnet: You're saying in the spot market?

Unknown Analyst: Yes.

Fernando Bonnet: Well, it's a combination. You have a capacity payment and you have...

Unknown Analyst: No, I'm talking about dispatch.

Fernando Bonnet: You talk about dispatch, the price that — the variable price that we receive is depending on what fuel we use. So to say something is around \$40,000 per meg. Yes, with gas around \$40,000-something per megawatt.

Unknown Analyst: Understood.

Fernando Bonnet: It is depending on the efficiency of equipment, depending on the fuel that you use, but it's something around that.

Unknown Analyst: This concludes our Q&A session. I would like to turn the conference back over to Mr. Fernando Bonnet for any closing remarks.

Fernando Bonnet: Okay. Thank you. Central Puerto is in a growing phase marked by Pedra del Aguila concession extension, portfolio expansion, market normalization and diversification in strategic sectors. Thank you, everyone, for joining and for your interest in our company. This is all for this quarter. Have a great rest of the week and month. You may now disconnect.

Operator: Thank you. This concludes today's conference call. You may now disconnect.