Central Puerto

Earnings Call: Q3 2026

Nov 12, 2026

Full Transcript

Operator

Good morning, ladies and gentlemen. Welcome to Central Puerto's third 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. All participants will be in a listen-only mode during the presentation. After that, there will be an opportunity to ask questions.

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 Central Puerto's website.

Our host today will be Mr. Fernando Bonnet, Central Puerto CEO, Mr. Enrique Terraneo, the company CFO, Mrs. María Laura Feller, Head of Investor Relations, Mr. Osvaldo Cado, our Finance Manager, and Mr. Alejandro Díaz López, Head of Corporate Finance. Maria Laura, please go ahead.

María Laura Feller

Head of Investor Relations, Central Puerto

Good morning, everyone, and thank you for your time today. We will cover our third quarter results, and then we will take your questions. As always, please keep in mind the disclaimer on slide two regarding forward-looking statements and non-IFRS measures, including adjusted EBITDA.

A s a reminder, since January 1st of this year, our functional currency is the US dollar rather than the Argentine peso, and we have refined how we convert historical peso figures into dollars. You will find the full detail in note 2.2 to our financial statements.

All figures are in US dollars unless otherwise stated. Let's turn to slide three for the highlights of the quarter. Third quarter adjusted EBITDA came in at $185.3 million. That's up 27.8% from the $145.0 million achieved in the second quarter and up 70.3% versus the $108.8 million in the third quarter of 2025.

Adjusted EBITDA for the first nine months of the year reached $451.0 million, and our last 12 months adjusted EBITDA stands at $480.3 million. Revenues total $532.4 million, up 17.4% quarter-on-quarter from $453.3 million, and up 157.6% year-on-year from $206.7 million. This figure includes $218.6 million of spot revenues related to self-procured fuel.

Total generation reached 4,791 GWh, representing approximately 13.6% of total generation on Argentina's grid in the quarter. Our assets generation decreased 5.2% from the second quarter's 5,055 GWh and a 5.6% increase versus the 4,539 GWh generated in the third quarter of last year.

Such effect was explained by program maintenance works in Central Puerto and Central Costanera assets. On the investment side, capital expenditures were $36.7 million in the quarter and $458.6 million for the first nine months of 2026.

That includes progress made during the quarter in our battery energy storage projects, which are expected to be completed in the following months, and maintenance works. Our balance sheet continued to show strength with a net financial leverage of 0.72 x adjusted EBITDA from 1.2 x last quarter, with net financial debt of $343.7 million.

On the commercial front, on October 1st, we signed the first direct natural gas supply agreement of its kind in the sector. Together with Pluspetrol, we became the first non-integrated companies to withdraw Plan Gas volumes from the CAMMESA pool.

The agreement will run through December 2028, the end of the current Plan Gas program, for 2 million cubic meter per day, which represents approximately half of the gas needed for the average daily operations of the Central Puerto complex. Briefly, on the total market demand.

In this quarter was 36.7 TWh, up 3.8% quarter-on-quarter and 4.1% year-on-year, driven mainly by residential demand, which grew 7.0% versus the second quarter. Also in this quarter, the generation mix shifted. Hydro generation increased 35.2% quarter-on-quarter on better hydrological conditions, while thermal generation declined 15.7%.

Gas volumes under the Gas Acuerdos program fell during the winter months and were compensated by fuels procured directly by generators. Regarding Central Puerto, our total generation was 4,791 GWh. Compared to the second quarter, we had lower thermal dispatch at some Central Puerto and Central Costanera assets,

Which underwent scheduled maintenance and was partially offset by higher output at Brigadier López, San Lorenzo, Piedra del Águila, and the renewables. Year-on-year, Piedra del Águila nearly doubled its output, up 93.6%, and Brigadier López added 371 GWh as its new combined cycle ramped up.

Our renewables generated 469 GWh, up 8.4% quarter-on-quarter. With the Cafayate and San Carlos new solar farms, revenues were $532.4 million, up 17.4% quarter-on-quarter and 157.6% year-on-year. Energy sales were $509.5 million, representing 95.7% of the total. Spot thermal revenues were the main driver, reaching $289.8 million, up 35.0% quarter-on-quarter and 192.2% year-on-year.

Such increase is explained by higher seasonal marginalist system prices during the winter months and the fuel cost component that is reflected in revenues when we self-procure fuel for spot generation. In the third quarter, this included approximately $218.6 million of natural gas, LNG, and liquid fuels purchased directly, compared to $182.8 million in the second quarter.

When CAMMESA supplies the fuel under the Gas Acuerdo program, that cost is managed by CAMMESA and therefore is not recognized as revenue by the company. Contracted revenues totaled $219.7 million, and within that figure, thermal MAT and PPA revenues were $167.3 million, renewables $29.8 million, and hydro $22.5 million.

As spot revenues grew faster with self-procured fuel component, contracted revenues represented 43% of energy sales compared to 51% last quarter. Adjusted EBITDA was $185.3 million, up 27.8% quarter-on-quarter and 70.3% year-on-year, with a margin of 34.8% compared to 32.0% last quarter. Because our revenues now include the fuel cost component of self-procured fuel, margins are not directly comparable to last year.

The improvement was mainly driven by the margin capture on self-procured fuels and seasonal winter spot prices, together with higher volumes from all three PPA thermal assets, including the new Brigadier López combined cycle and from Piedra del Águila on better water resources. The solar farms we acquired, Cafayate and built San Carlos in 2025, added further volume.

Self-procured fuel reached 55.3% of our total fuel consumption in the third quarter, up from 37.2% in the second quarter and 18.1% in the first. That is an average of almost 4 million cubic meters per day of gas equivalent, out of 7.2 million in total. Our adjusted EBITDA for the first nine months of the year was $451.0 million, and we are on track to reach our full-year guidance of $500 million-$550 million.

Capital expenditures for the quarter were $36.7 million and $458.6 million for the first nine months. Of that amount, $108.9 million correspond to the battery storage projects. Regarding such projects, all civil works are complete, and the battery containers have been installed. Construction is 81% complete at Central Puerto and 87% at Central Costanera, and 82% of the total project CapEx has already been executed.

Our projects are expected to be the first to reach commercial operation among all the projects under the AlmaGBA and AlmaSADI programs. Once operational, we expect these projects to contribute between $25 million and $27 million to our consolidated adjusted EBITDA in 2027.

On oil and gas, we continue to work with the Neuquén provincial authorities on the CENCH process for the Aguada del Chivato and Aguada Bocarey blocks, and we are preparing the documentation for our RIGI presentation.

In addition, on October 21st, the province awarded the Corralera Noroeste block to our subsidiary, PESA. As of September 30th, our total outstanding financial debt was $681.5 million. Against cash equivalents, and financial current assets of $337.8 million, that leaves us with net debt of $343.7 million. Additionally, our last 12 months adjusted EBITDA was $480.3 million, and that is how our net leverage ratio was 0.72 x the adjusted EBITDA.

In the quarter, in July, we issued the Class E notes for $94.3 million. After quarter end, on October 6th, we issued the Class F notes for $50.0 million. Thank you very much for your time and for your continued confidence in Central Puerto. I will now hand over for the Q&A, and then our CEO will share his closing remarks.

Operator

Thank you very much for the presentation. We will now begin the Q&A section for investors and analysts. If you wish to ask a question, please press the button "raise hand." Our first question comes from Guilherme Lima with Banco Santander. You can open your microphone.

Guilherme Lima

Analyst, Banco Santander

Good morning, guys. Thanks for the opportunity to ask a question. I have two quick questions here. First, if you could comment on the full-year adjusted EBITDA expectations. As you wrote in the earnings release, you were expecting around $500 million and $550 million. Just wanted to understand what your expectations are for

the fourth quarter comparing to the last year fourth quarter, as last year the adjusted EBITDA was around $100 million,

If I am not mistaken. If you just could comment on what you are seeing for the last quarter of the year and your expectations for the full-year adjusted EBITDA in 2026. The other question is related to capital allocation. We saw leverage decrease to around 0.7 x net debt to adjusted EBITDA.

If you could just comment on the opportunities you are seeing for this low level of leverage, and if we should expect a recurring dividend for 2027. That is it. Thank you.

Fernando Bonnet

CEO, Central Puerto

Hi, Guilherme. Thank you for your question. Going to the first one, talking about the expectation of the project adjusted EBITDA, as we mentioned, we are seeing something around $500 million and $550 million, depending on the dispatch of the units, the hydro levels, the inflows coming from the Collón Curá River and the Limay River that in the third quarter was very, very high. We are seeing that they are reducing right now.

The fuel consumption that we are not expecting liquid fuels for this final quarter, and the dispatch of our units. So, comparing to the last year, I think we will be more or less similar. We have more contracts today, but on the other hand, we have a big program maintenance in our Costanera combined cycle, more or less 60 days of maintenance, one GT, and 30 days of maintenance on the other one.

It will be reduced, that $100 million that you mentioned will be perhaps between $75 million, $80 million, and depending, as I mentioned, of the inflows from Piedra del Águila, water inflows, and the dispatch of the steam turbines that are very sensitive to the temperatures. Right now, we are seeing the dispatch of the TV6 and TV9 from Central Puerto that were out of dispatch since end of August.

We are right now seeing a ramp up of temperature, so it could increase our adjusted EBITDA a little bit, depending, as I mentioned, on the temperature. So, we can see in the range of $75 million, $80 million, and could be $90 million if the temperature goes up higher than we are seeing right now. Going to the second one, the leverage ratio, as you mentioned, we are reducing that or increasing of adjusted EBITDA.

This gives you full flexibility to enter a new acquisition. We are seeing opportunities on selling the government assets, talking about the hydro and the thermal unit that the

government are planning to sell, and other opportunities to acquire. We are looking for to acquire an organic opportunities of growth.

Talking about dividends, this will be decided on the shareholders meeting. We are not seeing, as I mentioned, depending on the growing opportunities, we will perhaps advise to the board some dividends, but that will depend on the opportunities that we see, as I mentioned, acquisition of new assets and new organic developments.

Guilherme Lima

Analyst, Banco Santander

Thank you.

Operator

Our next question comes from Tomás Peruchin with Balanz. You can open your microphone.

Tomás Peruchin

Analyst, Balanz

Hi, good morning. Thank you for taking my questions, and congrats on the results. Regarding the fuel self-procurement, we have seen that you are making progress with self-procurement. As we understand, to get an FRA of one in spot market, you also need firm gas transportation capacity.

Do you think you will be able to secure enough firm transportation capacity to cover 100% of your thermal fleet? Regarding the Pluspetrol agreement, could you give us some color on the average price you are paying compared to the Plan Gas? Thanks.

Fernando Bonnet

CEO, Central Puerto

Okay. Going to the first question. First, thank you for your question. Going to the first one. I don't see easily to cover 100% of our gas capacity with firm transportation. Right now, we acquired transportation from TGS, around 400 cu m, and we are analyzing the opportunity to enter in the TGN new pipeline that goes mostly for the center of the country and the north.

We are analyzing that for the San Lorenzo plant, the Brigadier López plant, and in some cases, some for Buenos Aires area. With the TGS and TGN, I think we could. We

benefit from the liberation of the transportation of Camisea that will come to us sooner or later.

I don't see the need to have 100% of our capacity contracted, because the fluctuation of the production of the combined cycle right now are not easily to predict, or are not, I think, worthy to have 100% contracted with the prices that we are seeing of this transportation. At the end of the day, I assuming that in the near future, with TGS and TGN, we can at least reach the level of between 40% and 50% of our efficient thermal capacity contracted.

Going to your second question, the price that we have with Pluspetrol is the same price that Pluspetrol has with the Plan Gas, is between $2.7 and $4.1, depending on the dollars per million cubic meter, and depending on wintertime or summertime. It's the same price that Pluspetrol has at the Plan Gas.

Tomás Peruchin

Analyst, Balanz

Okay, very clear. My second question is regarding the updates on the recent changes from the Secretary of Energy, especially the increase in the contracting limit to 60% for existing spot thermal starting in April 2027. How is that going for you?

How much you have already contracted, and how do you expect that to evolve in 2027? Just a quick one regarding the CERCA capacity auction that is taking longer than expected. Do you have some information there, and also in the FONINVEMEM privatization process?

Fernando Bonnet

CEO, Central Puerto

Going to the first one, we right now we reached the limit of 20% that the former regulation established, and we are looking forward to increasing that for sure for the next year. Reaching the 60%, we are seeing that difficult without entering into a contract with the distribution companies. I think we could reach perhaps 10%, 15% more in the next perhaps coming quarters.

Reaching 60% of our thermal capacity, we will need to enter in a contract with distribution companies that are, as you know, requires additional regulation to pass-through those contracts to the demand. That is required to serve federal regulation and for the rest of distribution companies, a provincial regulation, a local regulations to pass-through directly to the demand in working without the delays that they need to

have right now, going every contract they sign to this new scheme. It requires, as I mentioned, perhaps automatic schemes that are not set right now. We expect it to increase, but to reach the levels of the new regulation will require time and new regulation for distribution companies.

The last one, talking about CERCA, I do not know. We talk every week with the authorities, and they are working to have this process established at least at the end of the year and try to move forward the beginning of the next one. But I do not know, we do not have a certain timeline for that.

We expect to, if not this end of this year, we expect for the first quarter next one. The same of FONINVEMEM privatization. We are talking every week, and they say that they are ready to launch, but they still have some approvals and some paperwork, but, well, we do not have a clear timeline.

Tomás Peruchin

Analyst, Balanz

Okay, thank you very much. My last question is, on the oil and gas side, how is the process of building your team going? You mentioned that you are preparing the RIGI application. Could you share a bit more about your development plans for the blocks, especially the expected timeline for the exploration activities? Thank you very much.

Fernando Bonnet

CEO, Central Puerto

Well, as you mentioned, we are building the team. We are stronger in the team every day, so we are setting the challenge or the most important position that are challenging right now. In terms of RIGI, we are working very hard with the lawyers and the other team in order to have all the documentation ready to present or to apply to RIGI as soon as possible.

We are expecting this for the end of this year or the beginning of the next one, when we have all the information ready. In terms of explotation, first, as I mentioned, we need to reach the CENCH for Aguada del Chivato and Bocarey, and then we are expecting to move forward perhaps in the first or early second quarter next year.

Tomás Peruchin

Analyst, Balanz

Okay. Thank you very much.

Operator

Thank you. Our next question comes from Matheus Tostes with Citi. You can open your microphone.

Matheus Tostes

Analyst, Citi

Hi. Thanks for taking my question, and congratulations on another good set of results. My question is on the oil and gas side. You reported some CapEx disbursements of some ARS 55 million in the results yesterday. I was just wondering if you could share some color on what that was for, specifically if it was still payment for Aguada del Chivato, Aguada Bocarey, or any other exploration expenses that you may have incurred.

Still on the oil and gas side, if you could share any preliminary CapEx expectations for Q4 and next year. Lastly, we already saw GeoPark come out with some draft development plans for the block that they bought, which is neighboring to yours, and it is also a block of the same size. Their development points to a potential production of 50,000 b pd .

I know it is still early to gauge the potential on any of the blocks, but I was just sharing if you are thinking of something in that magnitude, and if that was the case, if you would be willing to bring a partner to help you develop that block. Yes, those would be my questions. Thank you.

Fernando Bonnet

CEO, Central Puerto

Okay. Thank you for your questions. Talking about the expenditures that you mentioned, this was the acquisition of the block, not yet any development ready in that area. It was the acquisition of the Aguada del Chivato and Aguada Bocarey cost. As we talked earlier, we are planning to present,

We are working hard to present the CENCH requirement and the RIGI for end of this year, perhaps first quarter. After that, we are planning to enter in an exploration phase for Aguada del Chivato and Aguada Bocarey. If we enter in a RIGI regime, we need to spend at least $240 million in the next two years. This was more or less the capital expenditure that we expect for the areas.

Talking about Corralera, as you mentioned, it is very early stage to say what the possible or the potential of the area is. But, as you mentioned, if everything goes as we

expect and the documentation and information that we saw when we evaluate the area goes well, it will be more or less the same possible production, as you mentioned, of GeoPark are expecting.

We are seeing more or less in the situation that we confirm all the information that we saw, would be some of this, as you mentioned, that level of production, whenever it was fully developed. For Corralera, it is in earlier stage than Aguada del Chivato, so we signed an agreement for exploration with the Neuquén oil company. We have an agreement to drill three wells in four years to develop all the risk of the area.

We are planning to enter in that exploration phase next year. After that, we will see if we can go to exploitation phase and move forward to an exploitation phase with the same as we expect on Aguada del Chivato.

Matheus Tostes

Analyst, Citi

Okay, thank you. Just to follow up, you would be willing to look into partnering with an operator to develop Corralera and potentially also Aguada del Chivato and Aguada Bocarey?

Fernando Bonnet

CEO, Central Puerto

No. In fact, we are developing our own resources. We have an agreement with a very well-known company that works in U.S. and in Permian, that is Radius Energy, and they are working with us in order to develop and to operate the areas by ourselves.

Matheus Tostes

Analyst, Citi

Okay, thank you. Thank you very much, and congratulations again.

Fernando Bonnet

CEO, Central Puerto

Thank you.

Operator

Thank you. Our next question comes from Martín Arancet. Could you give us more color on the 4Q 2026 major maintenance at Central Costanera? If I am not mistaken,

when did you have the last major maintenance on the asset, and how much CapEx would this major maintenance require?

Fernando Bonnet

CEO, Central Puerto

Okay, thank you, Martín, for your question. The previous major maintenance was in 2000. The previous year was a big maintenance on the GT number eight, and the boiler was a big intervention of the boiler that this unit never has. The boiler was at the original stage, so we did a major intervention of the boiler and the GT number eight.

This time was the time for the GT number nine intervention, big intervention, so we changed the hot parts of the steam turbine. We made an upgrade of the hot parts of the steam turbine, sorry, of the gas turbine. We do not expect a new intervention for this unit until 2029. The CapEx around that was around $40 million.

Operator

Thank you. Our next question comes from Ramiro Guerreiro. "Thanks for taking my question, and congratulations on the results. What CapEx should we expect for fourth quarter and for 2027? On the Costanera combined cycle overhaul, how much will it cost, and how long will the unit be offline? Thank you.

Fernando Bonnet

CEO, Central Puerto

Well, talking about the electricity part, we are finishing our BESS battery system storage projects, and at the end of the year, at the beginning of the next quarter. In that sense, we are not expecting new growing CapEx, at least until we do not see the new thermal auction. That will depend on whether we get awarded on that auction or not.

Right now, we are finishing the expansion CapEx of the storage system projects. So we are not expecting additional ones, as I mentioned, aside from new awarding of the CERCA capacity auction. We are not expecting large maintenance of the unit, so it will be the regular maintenance CapEx.

In the oil sector, as I mentioned, if we enter in a RIGI scheme, we will see that $240 million in these two next years, perhaps $120 million a year. That is aside from acquisitions and new awarding projects. This will be more or less how the CapEx.

Operator

Thank you. We have a couple of questions from Alejandro Christensen with Latin Securities. "How much of 2Q 2026 and 3Q 2026 adjusted EBITDA came from margins on self-procured LNG and liquids? Do the new CVP caps reduce that margin going forward? In your view, what's the government's intention in accelerating contracting for legacy units and moving liberalization up to 2029?

Do you expect MAT B2B contract prices to come down? Can you give guidance on contract prices per megawatts, including fuel? What's the drilling timeline and deadline for the Corralera Noroeste commitment and the plan at PESA? Would you consider a partner farm-down or selling the acreage once it's de-risked?

Fernando Bonnet

CEO, Central Puerto

Okay. Well, a lot of questions, and going one by one. Talking about the fuel margin or the fuel earnings, the full year were around between $70 million and $75 million. We are not expecting a reduction. Talking about the Resolution 293, in fact, the margin will be reduced, but we are expecting the TGS transportation that we acquired, so that give us an opportunity to make a more margin in terms of FRA regulation.

That will compensate the reduction, and also the agreement that we reach with Pluspetrol. I think this reduction on margin that coming from the Resolution 293 will cover for increase on margin coming from the self-procured gas with Pluspetrol and others that we are expecting to entering new agreements, and the additional margin that we could capture having a firm transportation coming from TGS.

The final number for the next year depend on how cold the winter ill be and how much LNG that we procure and use. Going to the other one,

What is the government's intention in accelerating the contractualization? I think one big point or big topic for the government is the spikes on prices that the spot-Consumers, especially commercial consumers and small industries consumers suffer or view during winter,

They are willing to encourage new contractualization, and in the other kind of that, they need to release energy for new contractualization. 20% is not enough to contractualize all the commercial and industrial end users. So, in that sense, the government allowed to increase that we can go and try to contractualize those customers that suffer big spikes during winter.

As I mentioned, reaching the 60% is high even with those customers. On top of that, if we want to reach that 60%, we need to go to the distribution companies and sort

those regulatory issues that we mentioned in previous questions. The last one, I think that we have already talked about it.

For Corralera Noroeste, we reached an agreement of four years of exploration with three wells that we need to do in order to risk the area. In PESA, it's different. As you mentioned, we are not in that. We are going to enter in CENCH directly, so that will be a different timeline. So we're expecting in PESA at the time that we are planning to establish or to set establish this, as I mentioned, $240 million in the next two years.

Operator

Thank you very much for the answers. This concludes our Q&A session, and I would now like to turn the conference back to Mr. Fernando Bonnet for his closing remarks.

Fernando Bonnet

CEO, Central Puerto

To wrap up, this was another quarter of a strong execution for Central Puerto. We delivered solid financial results, continued to strengthen our commercial position, maintained a disciplined balance sheet, and made meaningful progress across our strategic growth initiatives.

Looking ahead, we are focused on bringing our battery storage project into operation on schedule, advancing to develop our newly acquired Vaca Muerta assets, and pursuing new business expansion opportunities to create long-term value for our shareholders while preserving financial flexibility.

I would like to thank our people for their commitment, our customers and business partners for their trust, the financial sector, and our shareholders for their continued support. See you soon. Thank you for joining us today. Operator, we can disconnect.

Operator

Thank you very much. That concludes today's presentation, and you may now disconnect.