



Argentina: **Corporates 1Q23 Update**



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Agenda

O&G

- YPF SA
- Pan American Energy
- Pampa Energia
- Cia. General de Combustibles
- Capex SA
- TGS

Utilities

- AES Argentina Generación
- YPF Luz
- Generación Mediterranea
- Genneia
- MSU Energy
- Edenor

Banks

- Banco Macro
- Banco Galicia
- Banco Hipotecario

Retail / Telcos / Real Estate

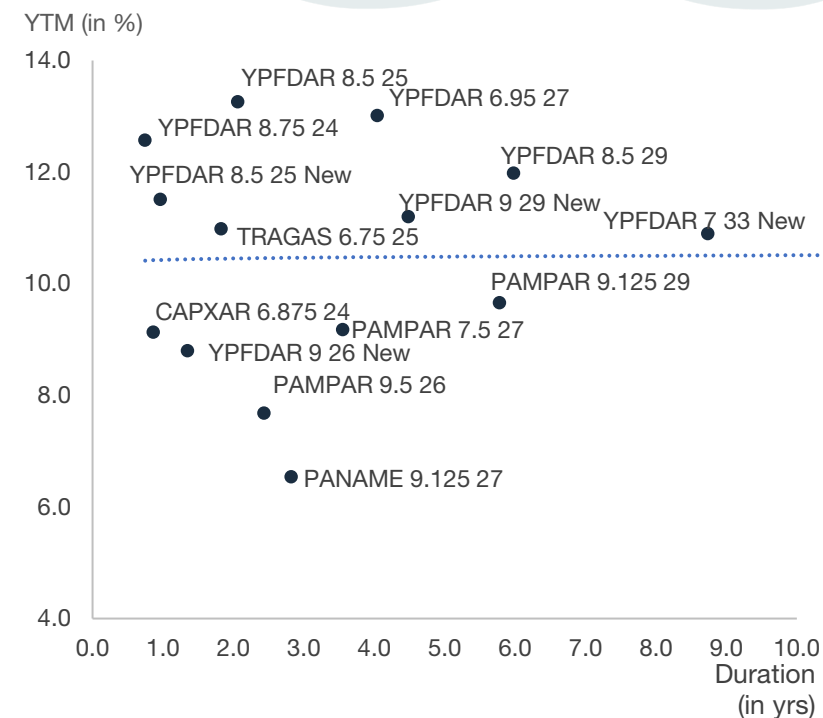
- Telecom
- Arcor
- Mastellone Hermanos
- Aeropuertos Argentina 2000
- IRSA IR

O&G companies' main figures

Summary financials as of 1Q23.

	YPF YFPDAR	Pan American Energy PANAME	Pampa Energia PAMPAR	CGC CGCSA	VISTA VIST	Capex SA* CAPXAR	TGS TRAGAS
Total Production (KBOED)	510.6	158.5	57.6	59.9	52.2	23.3	-
In USDmn							
Revenues	4,238	1,121	431	264	303	103	241
Adj. EBITDA	1,044	400	206	71	204	54	103
Net Income	341	144	141	31	129	(2)	29
Gross Margin	22%	32%	39%	18%	55%	31%	41%
Adj. EBITDA Margin	25%	36%	48%	27%	67%	52%	43%
Capex	1,262	278	182	127	134	53	(49)
Free Cash Flow	105	(66)	(56)	(196)	17	(21)	83
Cash & Cash Eq. + ST Investments	1,296	264	768	265	350	12	435
ST Debt (incl. leases)	1,406	780	325	201	128	51	31
Total Debt (incl. leases)	7,904	2,517	1,681	1,004	723	289	545
(Cash + ST Investments) / ST Debt	92%	34%	236%	131%	273%	23%	1391%
Gross Leverage (incl. leases) (LTM)	1.6x	1.3x	2.3x	3.0x	0.9x	1.2x	1.4x
Net Leverage (incl. leases) (LTM)	1.2x	1.2x	1.2x	2.2x	0.4x	1.1x	0.3x

Source: TPCG Research based on the companies' reports, Bloomberg *As of 3Q23



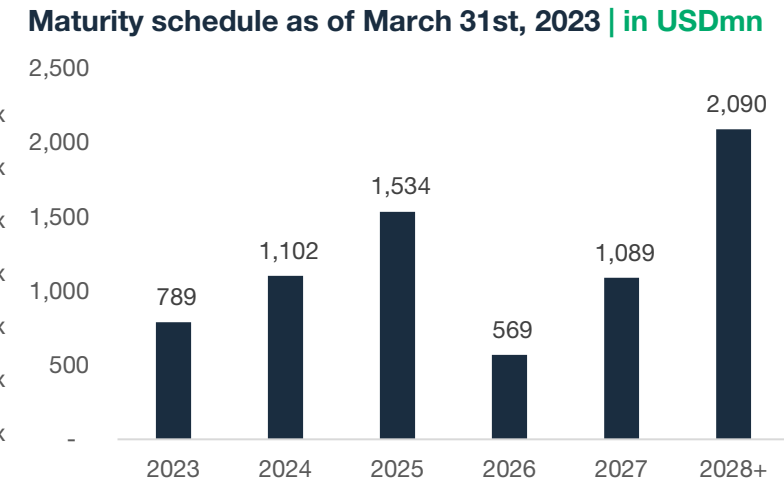
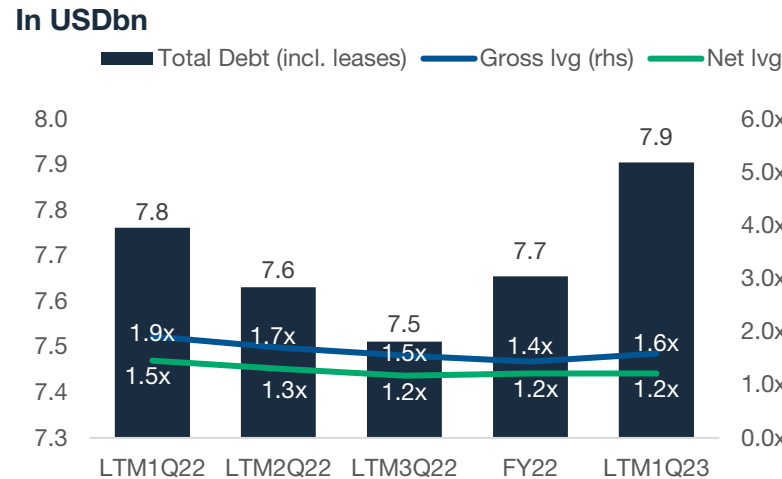
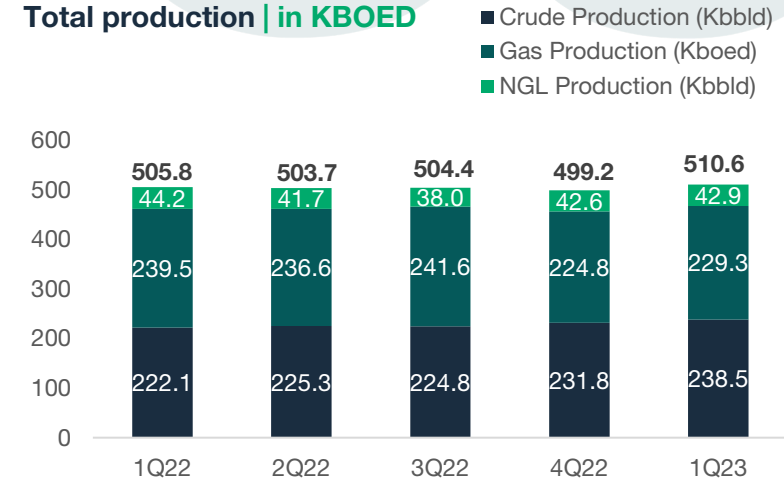
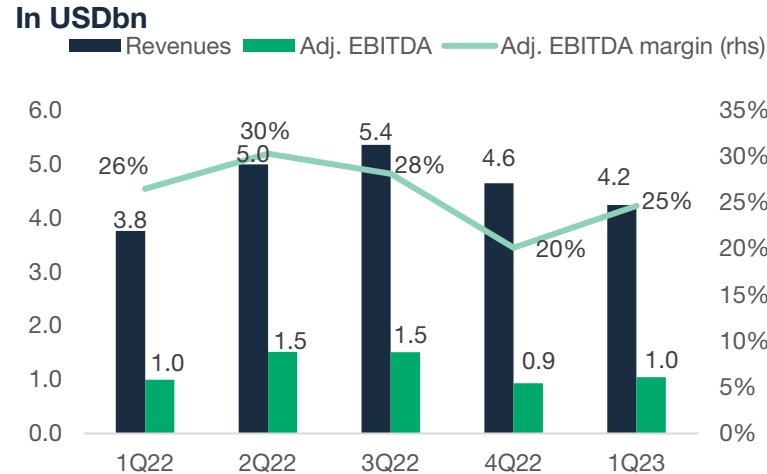
The O&G sector shows the highest growth potential among the sectors, with several midstream projects ongoing to debottleneck transportation capacity from Vaca Muerta. For this reason, we are Overweight in the sector.

In 1Q23, Vista showed the strongest results vs peers, with revenues and EBITDA increasing by +46% and +61% yoy, respectively. It also showed the highest increase in production +19% yoy to 52.2kboed while the rest of the companies showed single-digit increases.

YPF is veering its focus to crude oil production with gasoline sales on the rise (in part due to the lack of price adjustments) and the put in operation of the OTASA pipeline to export crude oil to Chile. We expect the positive impact of this to become more evident by 4Q23. In 1Q23, YPF revenues were negatively impacted by the severe draught that face the Argentine agribusiness sector, which led to a drop in grain and flours revenues. Diesel sales were weaker due to the lower international price. Even so, YPF results were higher vs. 1Q22.

YPF SA (YPFDAR)

- In 1Q23, YPF's revenues were USD4,238mn (+13% yoy) with domestic sales, which accounts for 89% of total revenues, increasing by +14% yoy to USD3,759mn. Exports were up by +2% yoy to USD479mn, mainly driven by jet fuel (+87% yoy to USD162mn). Within the domestic market, diesel sales were up by +26% yoy to USD1,620mn while gasoline sales grew by +9% yoy to USD892mn.
- YPF's Adj. EBITDA was up by +5% yoy to USD1,044mn. The Adj. EBITDA margin came down to 25% from 26% in 1Q22.
- YPF's total production increased by +2% qoq / +1% yoy to 510.6kboed, driven by crude oil shale production (+31% yoy / +9% qoq to 92.5kboed).
- YPF 1Q23 FCF was USD105mn, down 77% yoy, with Capex increasing by +58% yoy to USD1.3Bn. As of March-31st, 2023, Cash + Investments was up by +18.7% qoq to USD1,296mn.
- YPF's total debt, including leases, was up by +3.3% qoq to USD7,904mn. The company's LTM1Q23 net leverage remained at 1.2x from LTM3Q22.

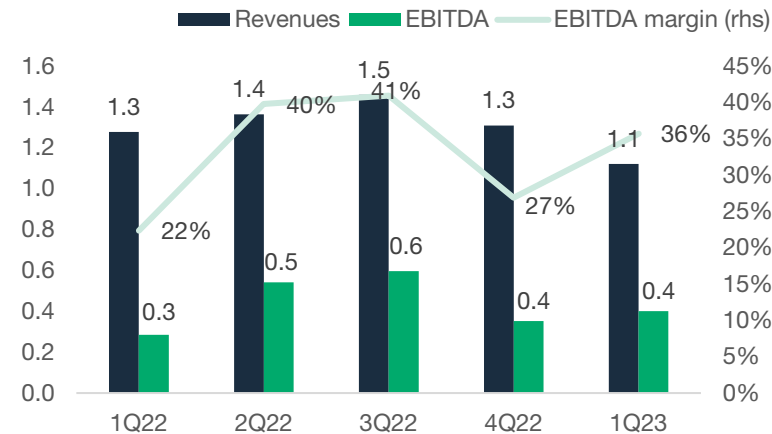


Source: TPCG Research based on the company's reports

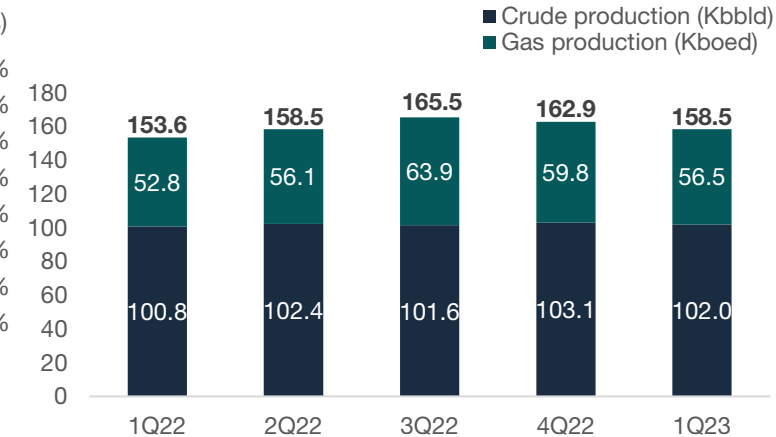
Pan American Energy (PANAME)

- In 1Q23, Pan American Energy's revenues were USD1,121mn (-12% yoy), explained by the downstream segment, which sales dropped by 63% yoy. The EBITDA was up +14% yoy to USD400mn, with costs coming down by 27% and administrative expenses by 7% yoy. The EBITDA margin stood at 36%, up from 22% in 1Q22.
- In 1Q23, total O&G production was up by +3% yoy to 158.5kboed, with natural gas production at 56.5kboed (+7% yoy) and oil production at 102.0kbbld (+1% yoy).
- FCF remained on negative ground at -USD66mn, although it improved from -USD173mn. Inventories cash outflows were down by 33% yoy. As a result, change in working capital requirements was -USD19mn vs. -USD123mn in 1Q22. In addition, capex decreased by 9% yoy to USD278mn.
- As of March-31st, 2023, Pan American Energy's total debt (incl. leases) was up by +0.7% qoq to USD2,517mn. Cash & Eq. + ST investments decreased by -16% qoq to USD264mn, not enough to cover short term debt of USD780mn. According to our estimates, the company net leverage was flat qoq at 1.2x in LTM1Q23.

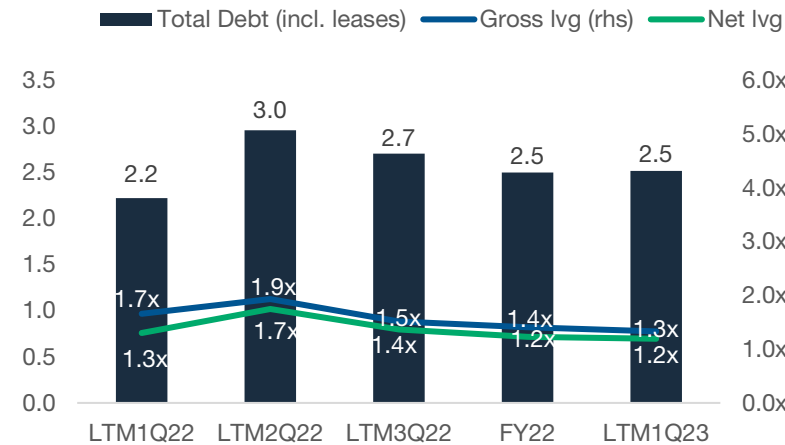
In USDbn



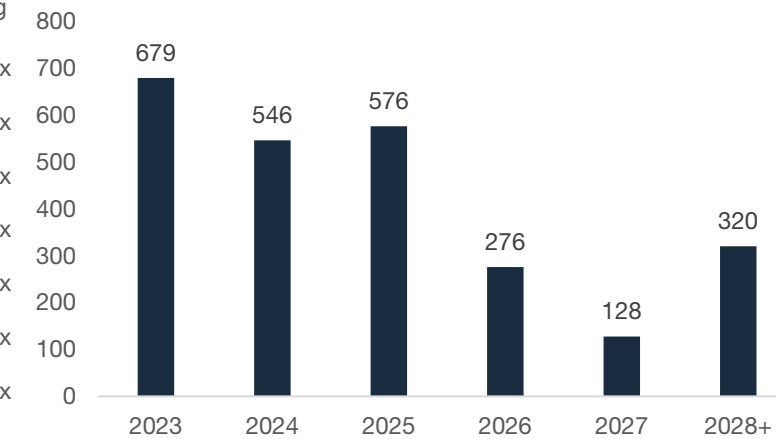
Total production | in KBOED



In USDbn



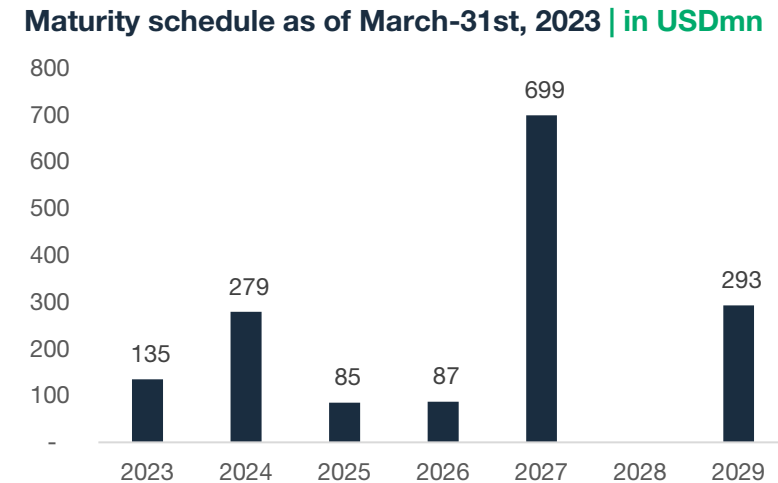
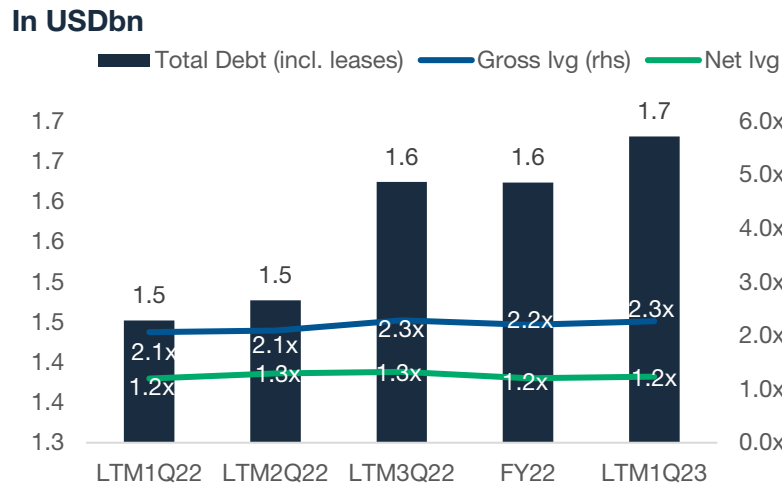
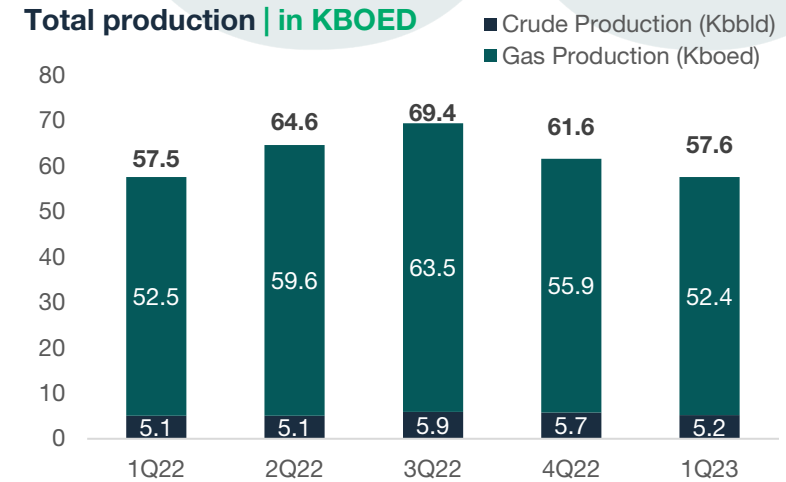
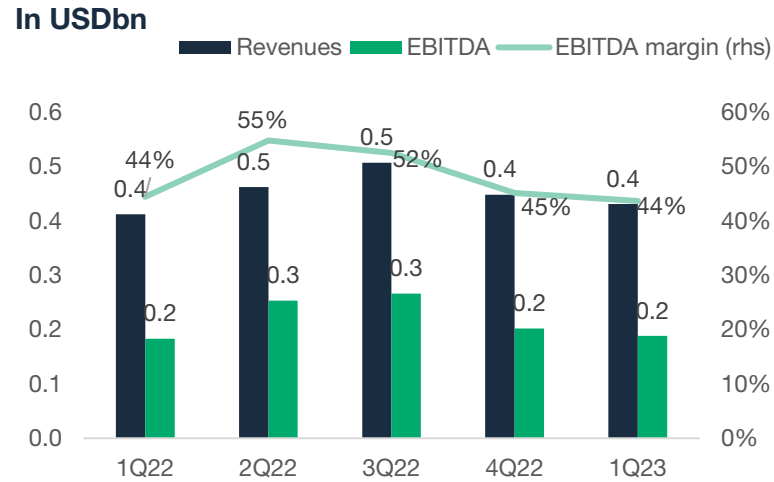
Maturity schedule as of Mar-31st, 2023 | in USDmn



Source: TPCG Research based on the company's reports

Pampa Energia (PAMPAR)

- In 1Q23, Pampa Energia's revenues were up by +5% yoy to USD431mn. The Adj. EBITDA decreased by 8% yoy to USD206mn. The Adj. EBITDA margin decreased to 48% from 55% in 1Q22.
- E&P revenues and EBITDA were up by +12% yoy and +10% yoy, respectively. Natural gas sales were flat qoq at 52.8kboe/d while the average price increased +11% yoy to USD4.0/MBTU.
- Power generation sales, which accounted for 40% of total sales, increased by +4% yoy to USD173mn, explained by the acquisition of Arauco wind farm, the consolidation of Ing. Mario Cabreiro wind farm and the improvement of legacy remuneration
- FCF turned negative to -USD56mn from +USD57mn, on lower FFO (-11% yoy) and higher capex (+106% yoy to USD182mn).
- As of March-31st, 2023, Pampa Energia's total debt (including leases) was up by +4% qoq to USD1,681mn. Cash & Eq. + ST Investments increased by +10% qoq to USD768mn, covering short-term debt by 2.4x. The reported consolidated net leverage remained flat qoq at 1.2x.

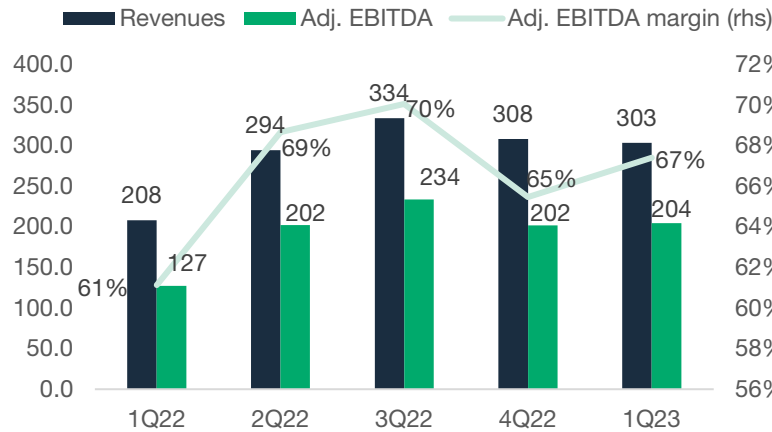


Source: TPCG Research based on the company's reports

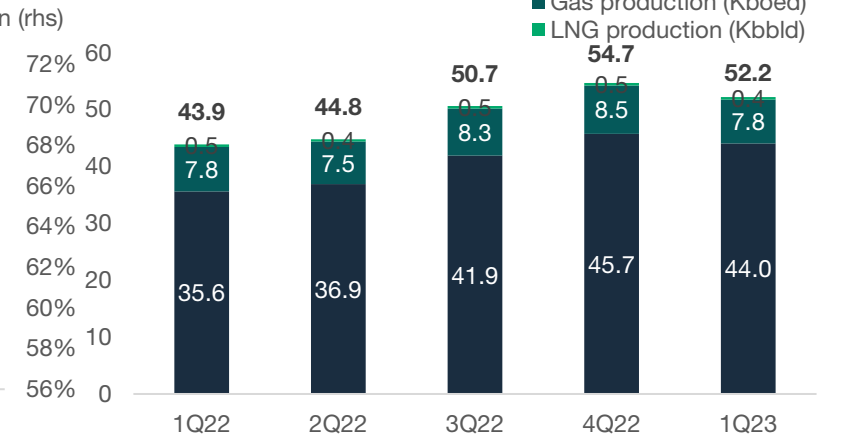
VISTA Energy (VIST)

- In 1Q23, Vista's revenues increased by +46% yoy to USD303mn. The Adj. EBITDA was up by +61% yoy to USD204mn, with the Adj. EBITDA margin increasing to 67% in 1Q23 from 61% in 1Q22.
- Crude oil production increased by +24% yoy to 44.0kbbld. The company reduced lifting costs to USD6.4/boe in 1Q23 from USD7.5/boe in FY22, thanks to the transfer of its conventional assets to Aconcagua Energia S.A.
- FCF turned positive to USD16.9mn from -USD72.2mn in 1Q22, on higher FFO (+36% yoy). Capex grew by +69% yoy to USD134mn.
- As of March-31st, 2023, Vista's total debt (including leases) was up by +25% qoq to USD723mn. Cash & Eq. + ST Investments increased by +43% qoq to USD350mn, covering short-term debt by 2.7x. The company's reported consolidated net leverage remained flat qoq at 0.4x in LTM1Q23.

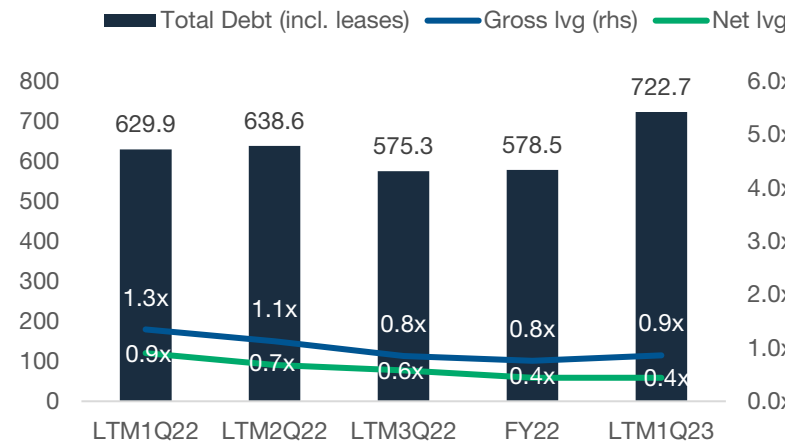
In USDmn



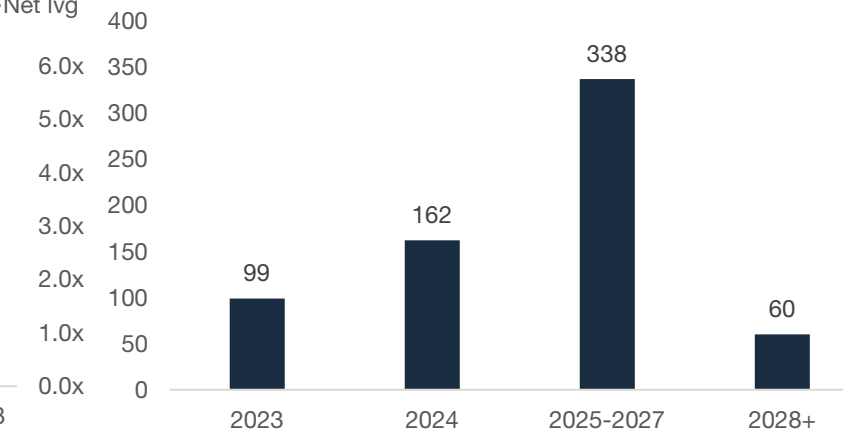
Total production | in KBOED



In USDmn



Maturity schedule as of March-31st, 2023 | in USDmn

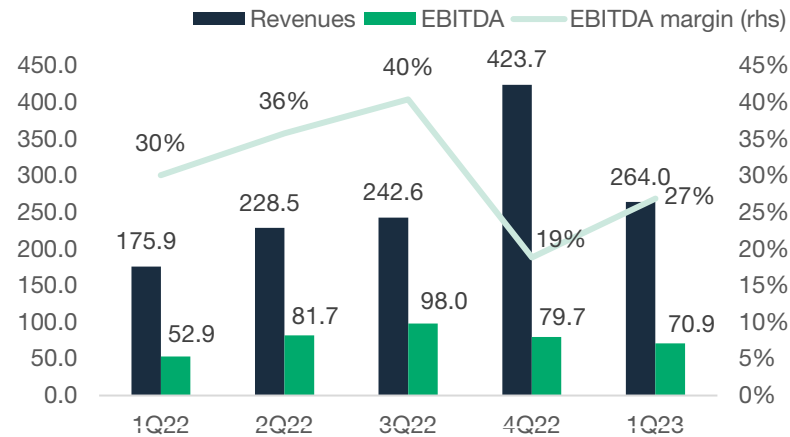


Source: TPCG Research based on the company's reports

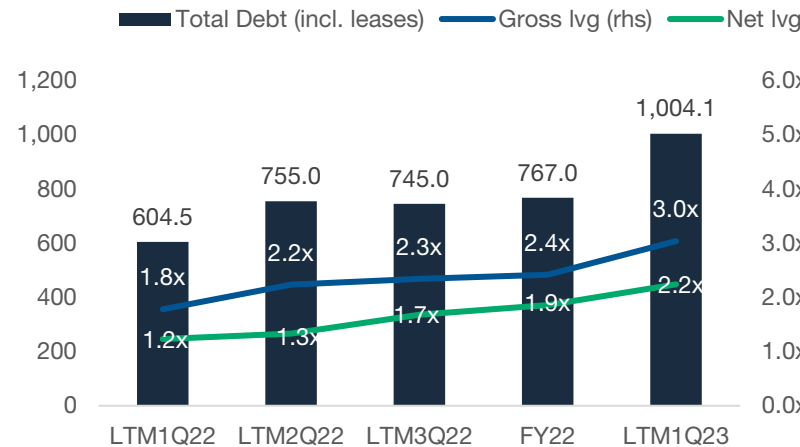
Cia General de Combustibles (CGCSA)

- In 1Q23, CGC' revenues were up by +50% yoy to USD264mn with crude oil deliveries sales increasing by +34% yoy to USD160mn and gas sales up by +104% yoy to USD98mn. Incentives were down by 50% to USD0.4mn. The Adj. EBITDA was up by +34% yoy to USD71mn. However, the margin decreased to 27% from 30% in 1Q22, on the back of higher COGS (+55% yoy) and selling expenses (+79% yoy).
- Oil production was up by +12% yoy to 21.5kbbld while natural gas production increased by +8% yoy to 37.4kboed.
- FCF was negative at -USD196mn vs. -USD57mn in 1Q22, due to trade receivable cash outflows (-USD15mn vs. +USD57mn) and higher Capex (USD127mn, +89% yoy).
- As of March-31st, 2023, CGC's total debt (incl. leases) was USD1,004mn (+31% qoq) . Cash & Eq. + ST Investments stood at USD265mn (+50% qoq), covering short term debt by 131%. According to our estimates, the company net leverage increased to 2.2x from 1.9x in FY22.

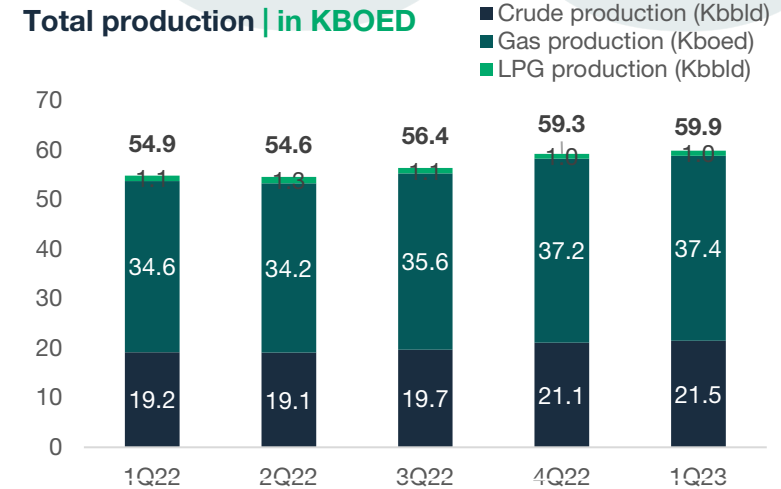
In USDmn



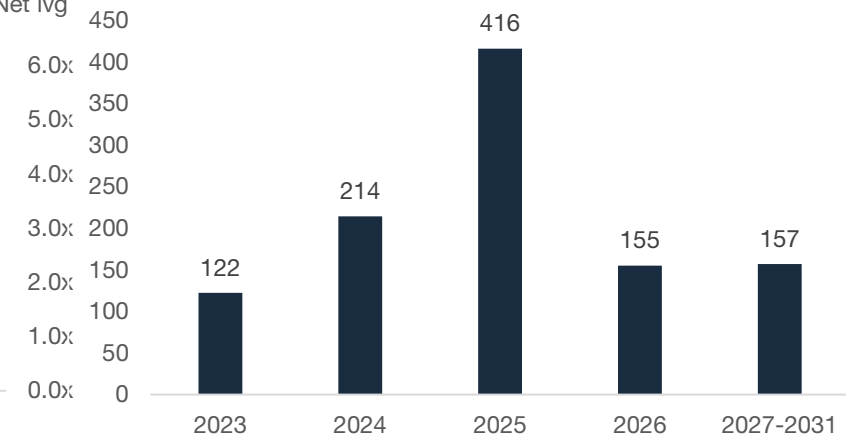
In USDmn



Total production | in KBOED



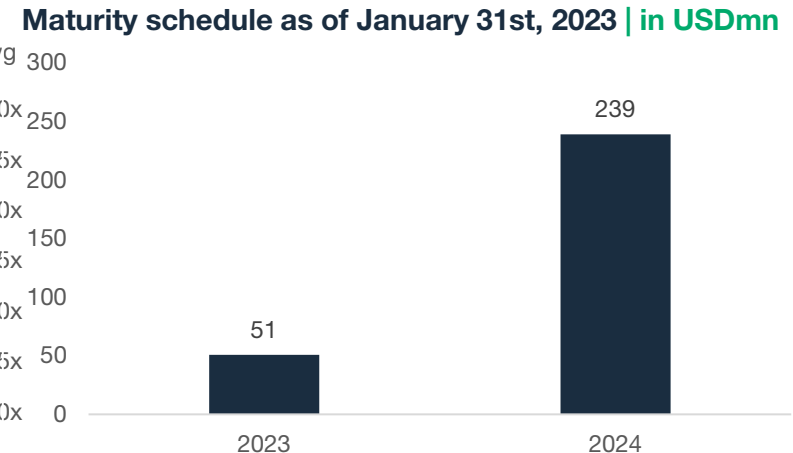
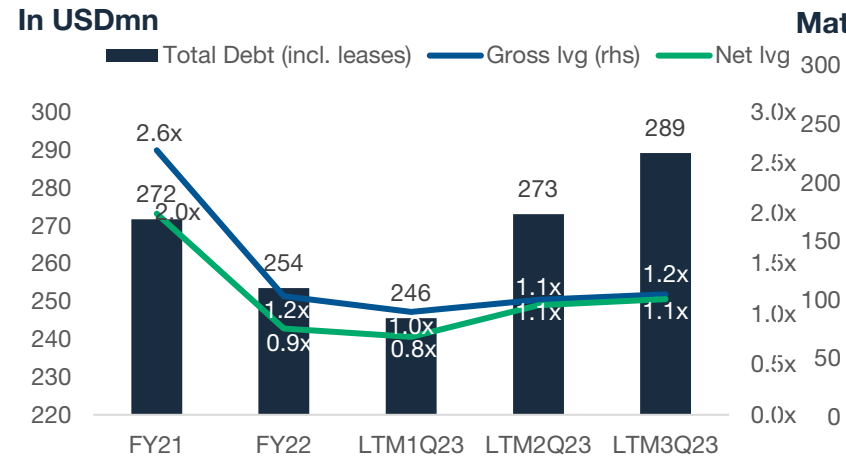
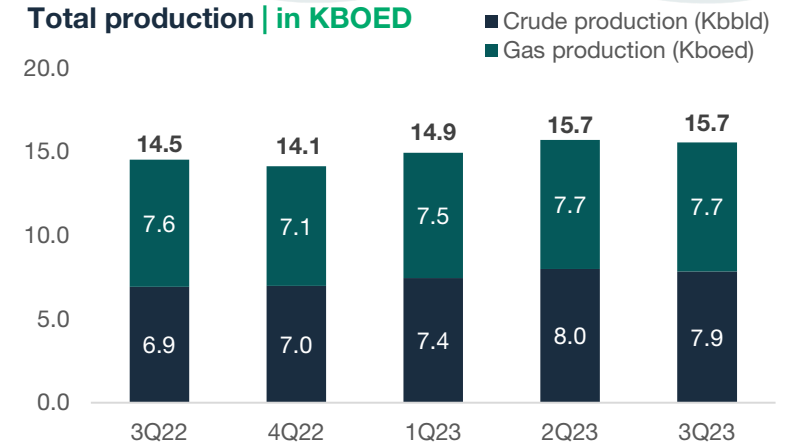
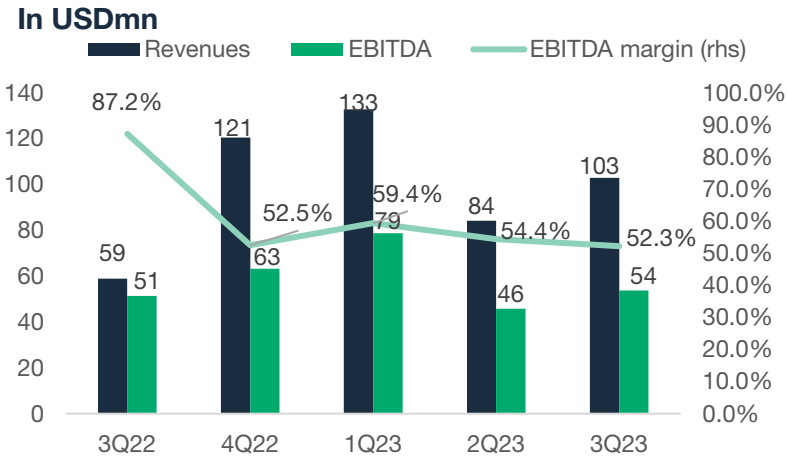
Maturity schedule as of March-31st, 2023 | in USDmn



Source: TPCG Research based on the company's reports

Capex SA (CAPXAR)

- Founded in 1988, Capex SA is a vertically-integrated energy company. It produces LPG, propane, and butane from the oil and gas extracted from its fields. In addition, it generates electricity through a thermal energy plant and two wind farms and accounts for a plant to produce hydrogen and oxygen from water electrolysis.
- In 3Q23 (Nov 22 -Jan 2023), revenues were USD103mn, of which 45% came from oil exports, 24% from electricity sales, and 25% from domestic oil sales. Crude production reached 707kbbbl (7.9kbbld). Volumes sold were higher, standing at 870kbbbl, split between 523kbbbl of exports and 346kbbbl of domestic sales. Then, Agua del Cajon thermal energy plant of a 672MW installed capacity sold 1,206GWh.
- Capex SA 3Q23 FCF was -USD21mn vs -USD35mn in 3Q22. As of January 31st, 2023, cash was USD12mn, of which USD1.0mn are denominated in USD. Cash + ST investments, covered ST debt by 23%. Capex SA's LTM3Q23 net leverage was flat qoq at 1.1x.

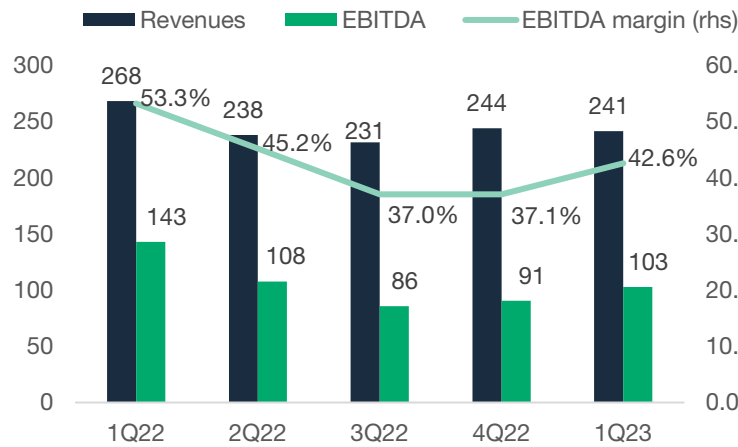


Source: TPCG Research based on the company's reports

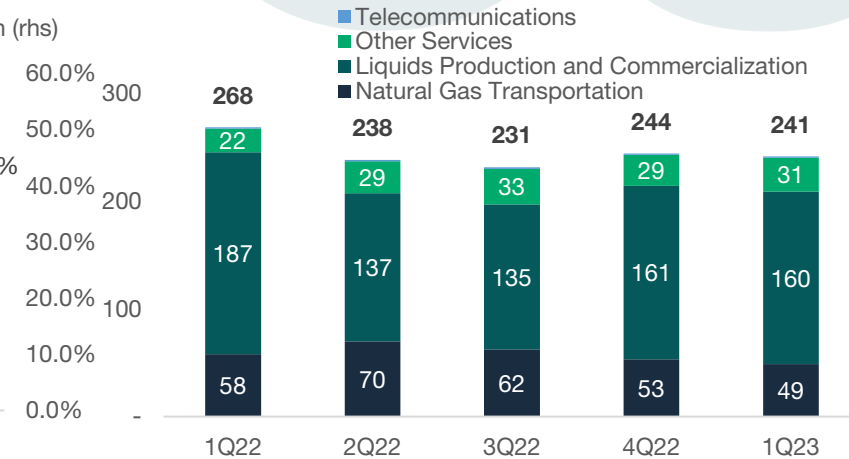
TGS (TRAGAS)

- In 1Q23, TGS estimated revenues were down by 10% yoy to USD241mn.
- The liquids business revenues were down by 15% yoy to USD160mn, due to lower volumes sold and prices. Liquids volumes sold to foreign markets were down by 1% yoy to 142,000 tons. Local market liquids volumes sold was down by 5% yoy to 172,075 tons, with butane sales decreasing by 21% yoy and propane by 16% yoy. Natural gas transportation revenues decreased by 16% yoy to USD49mn, due to the lack of tariff adjustment.
- EBITDA was down by 28% yoy to USD103mn, the margin was down to 43% from 53% in 1Q22.
- On June 6th, the company awarded the Operations and Maintenance Service contract of Nestor Kirchner pipeline for a 5-year term.
- As of March-31st, 2023, TGS total debt was up by +2% qoq to USD545mn with short-term loans increasing by +41% qoq to USD31mn. However, cash + ST investments was up by +82% qoq to USD435mn, covering short term debt by 13.9x. TGS's LTM1Q23 net leverage was down to 0.3x from 0.5x in FY22.

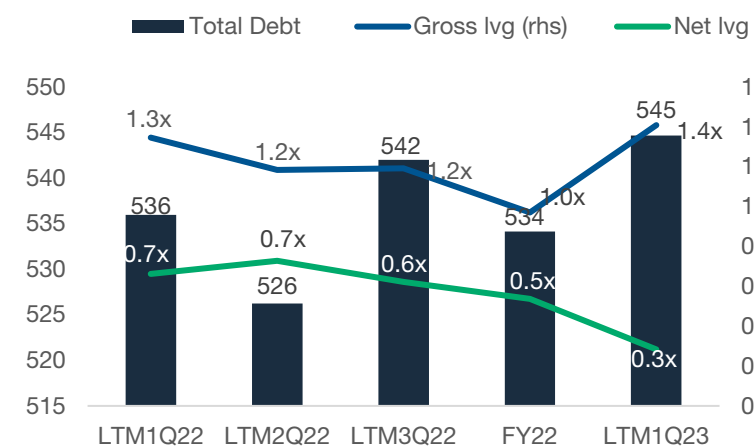
In USDmn



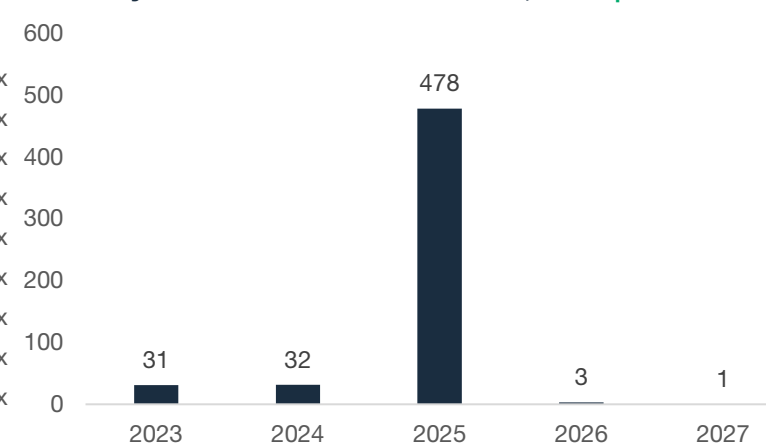
TGS revenues breakdown | USDmn



In USDmn



Maturity schedule as of March-31st, 2023 | in USDmn



Source: TPCG Research based on the company's reports

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Utilities companies' main figures

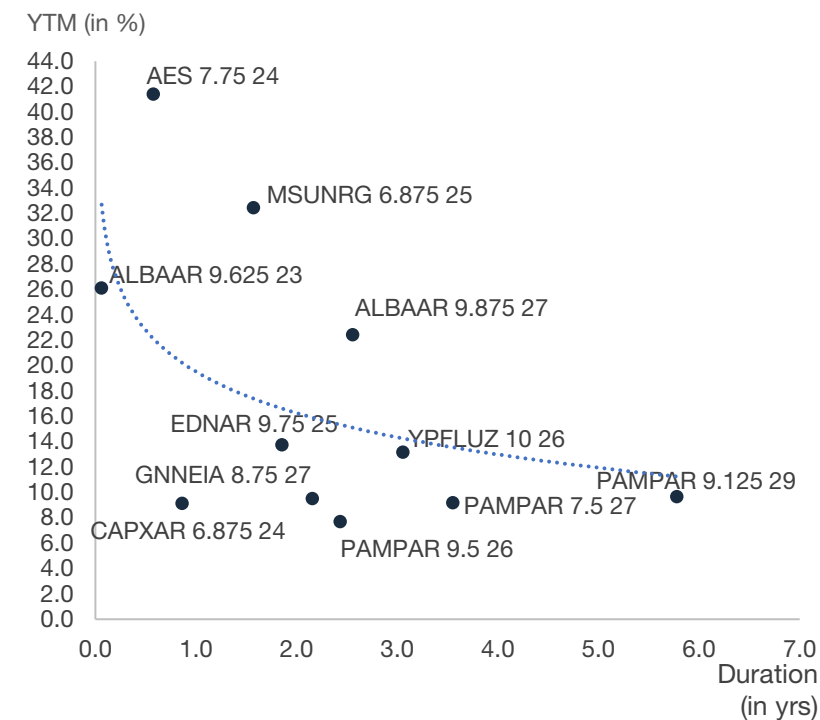
Summary financials as of 1Q23

	Pampa Energia* PAMPAR	AES Arg AES	YPF Luz YPFLUZ	GEMSA ALBAAR	Genneia GNNEIA	MSU Energy MSUNRG	Capex SA** CAPXAR	Edenor EDNAR
Power generation capacity								
Installed Capacity	5,432MW	2,985MW	2,483MW	1,210MW	1,308MW	750MW	706MW	-
Under construction	+140MW	+50MW	+255MW	+508MW	+222MW	-	-	-
In USDmn								
Revenues	173.0	129.1	109.7	52.3	69.6	47.5	102.9	362.9
Adj. EBITDA	108.1	41.6	90.0	31.9	55.8	38.4	53.8	(26.9)
Net Income	96.0	4.6	50.0	(8.1)	21.2	6.5	(1.6)	(51.8)
Gross Margin	51%	29%	57%	51%	66%	65%	31%	2%
ADJ. EBITDA Margin	62%	32%	82%	61%	80%	81%	52%	-7%
Capex	93.0	11.2	73.7	5.0	41.5	3.9	52.9	46.4
Free Cash Flow	n.a.	(65.3)	(46.9)	(11.8)	(11.2)	(3.3)	(20.8)	(38.1)
Cash & Cash Eq. + ST Investments	768.2	38.6	190.6	115.1	157.8	30.6	11.7	179.3
ST Debt (incl. leases)	325.3	334.7	136.8	239.9	174.5	136.5	50.6	5.1
Total Debt (incl. leases)	1,681.0	334.7	975.4	1,042.6	770.4	842.1	289.3	118.0
(Cash + ST Investments) / ST Debt	236%	12%	139%	48%	90%	22%	23%	3548%
Gross Leverage (incl. leases)(LTM)	2.3x	2.9x	2.7x	5.3x	3.5x	5.2x	1.2x	n.m.
Net Leverage (incl. leases)(LTM)	1.2x	2.6x	2.1x	5.2x	2.8x	5.0x	1.1x	n.m.

Source: TPCG Research based on the companies' reports, Bloomberg *Pampa Energia's Indebtedness figures at Restricted group level **As of 3Q23

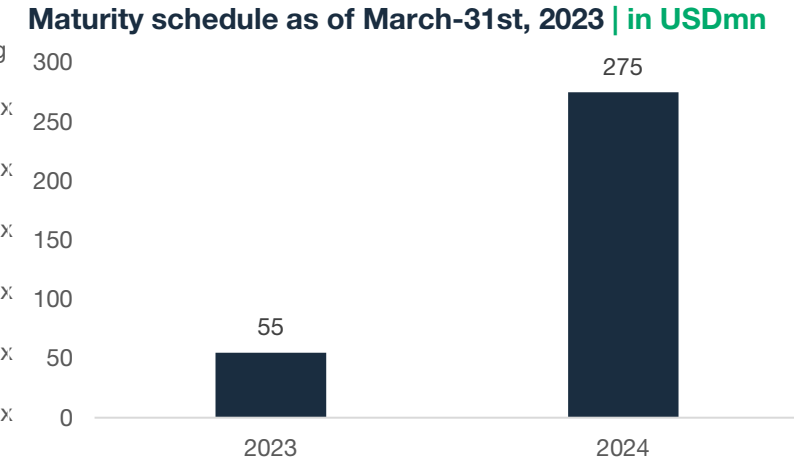
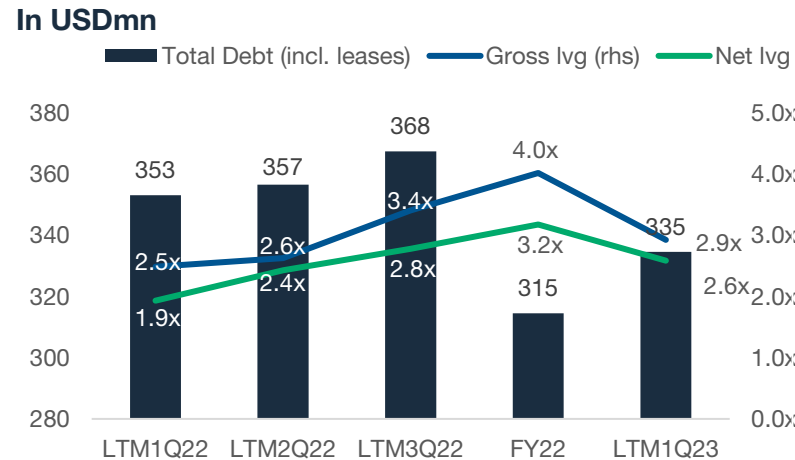
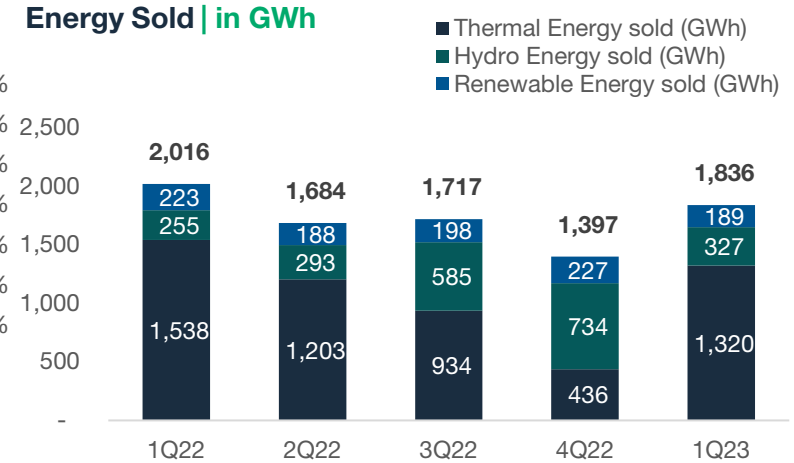
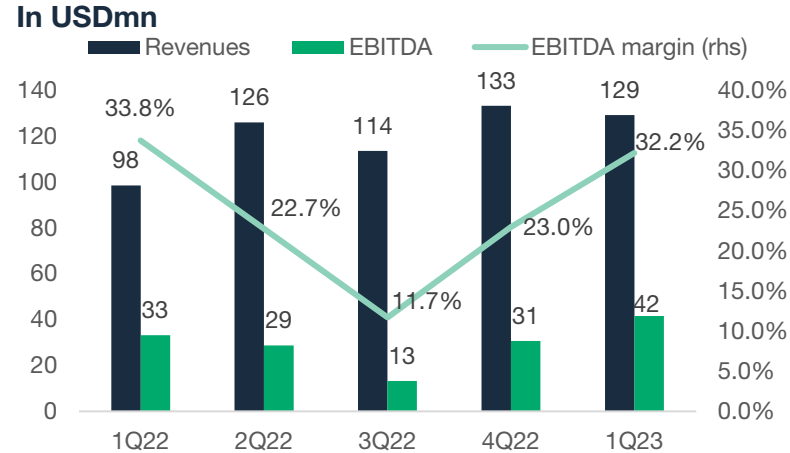
In 1Q23, Pampa Energia, AES Arg, and GEMSA revenues improved yoy thanks to the +25% increase in Energia Base, given in February, and the launch of a new voluntary remuneration scheme through PPAs for combined cycles. On the downside, Cammesa payment days deteriorated, which negatively impact companies cash generation. All the companies analyzed showed negative FCF.

However, we believe Cammesa payment delays will be transitory. The fact that the government eliminated electricity subsidies for high-income households as of May's bill, diesel prices are lower than last year, and the Nestor Kirchner pipeline will reduce the need to import liquid fuels supports our opinion that Cammesa will have more flexibility to manage its liquidity.



AES Argentina Generacion (AES)

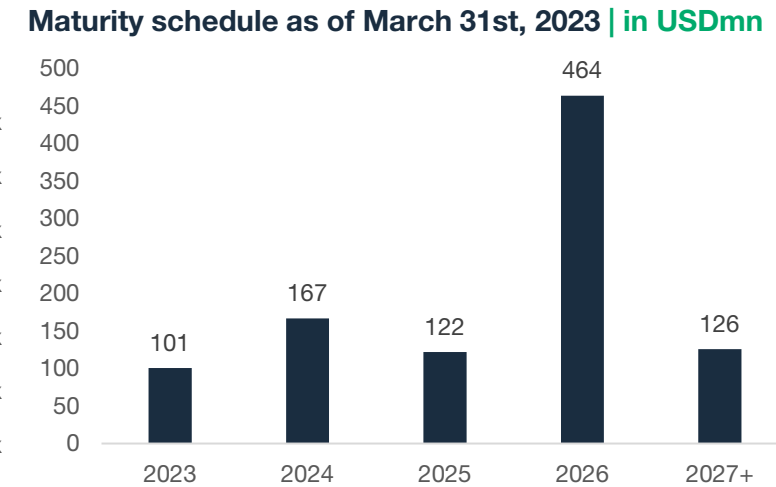
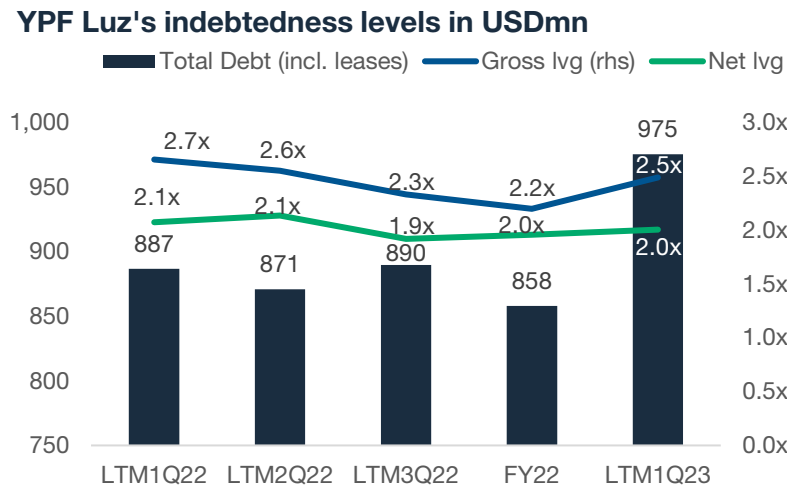
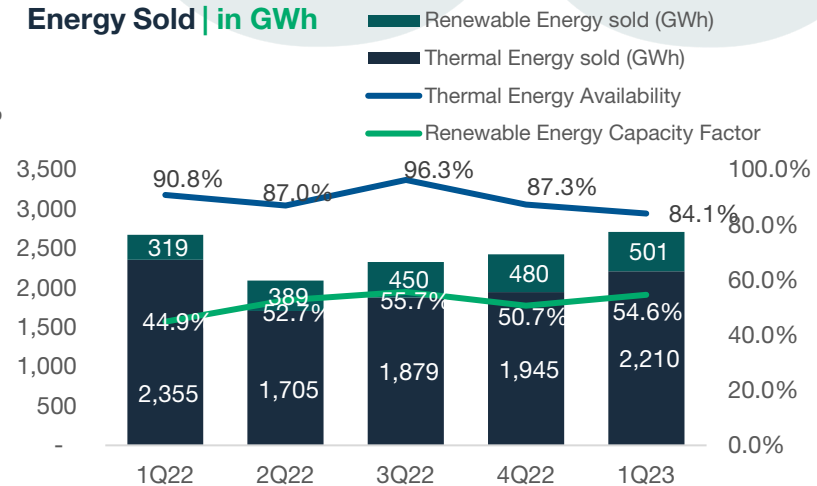
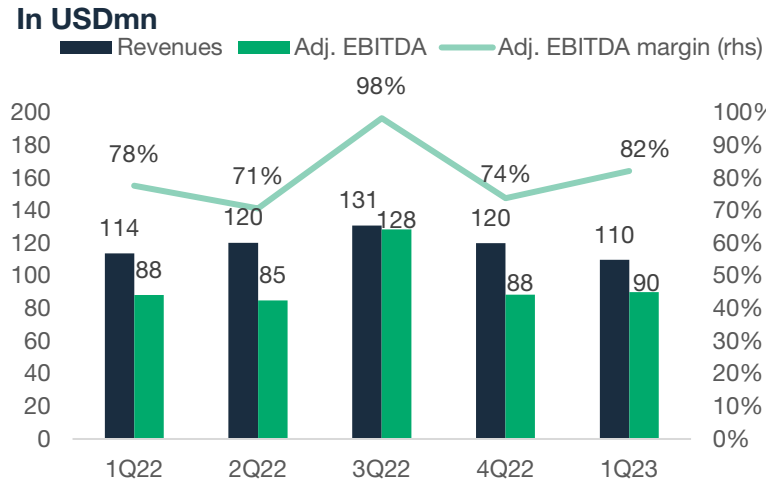
- In 1Q23, AES AG's revenues were up +31% yoy USD129mn, on the back of Energia Base +25% increase and AES Parana entering into Res. 59/23. The Adj. estimated EBITDA was up by 25% yoy to USD41.6mn.
- AES AG electricity generation was down by 9% yoy to 1,836GWh, due to there was lower gas availability to supply the Parana thermal plant and less wind generation.
- FCF turned negative to USD65.3mn from +USD4.1mn in 1Q22, on trade receivable cash outflows (-USD65mn vs. -USD1.8mn in 1Q22). Capex was down by only 19% yoy to USD11.2mn.
- As of Mar-31st, 2023, AES AG's total debt was down by 6.4% qoq to USD335mn. Cash & equiv. decreased by 41% qoq to USD39mn, not enough to cover 2023 debt of USD55mn. According to our estimates, AES's net leverage (incl. leases) was 2.6x in LTM1Q23. Including FONINVEMEN collections, it stood at 1.8x.



Source: TPCG Research based on the company's reports

YPF Luz (YPFLUZ)

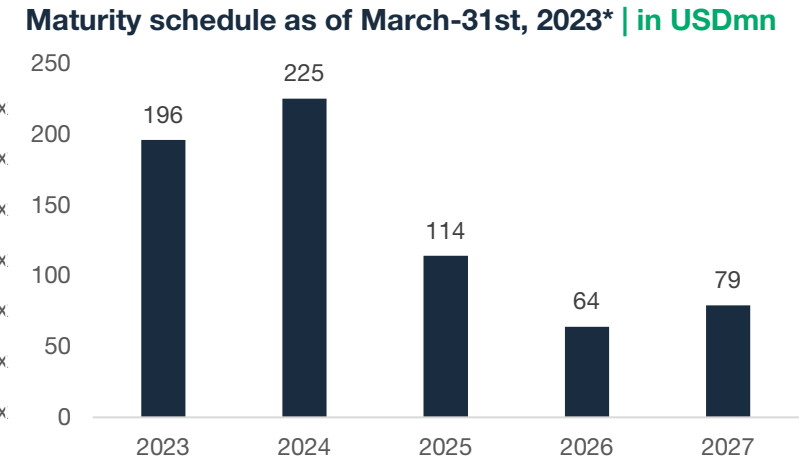
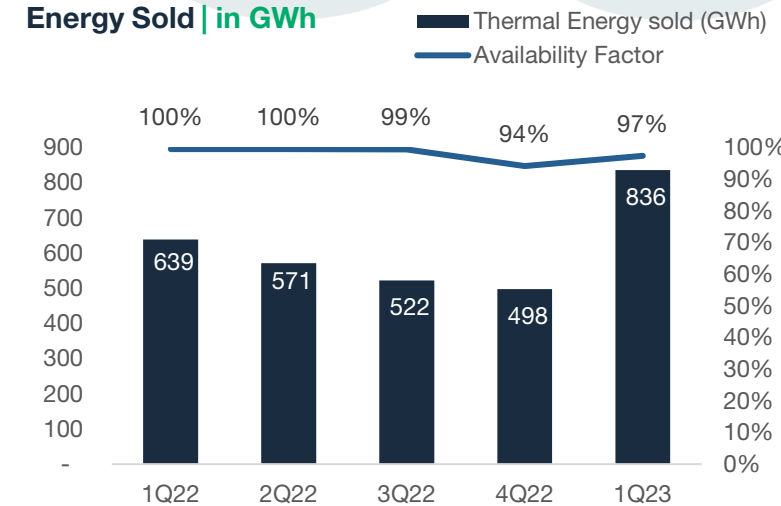
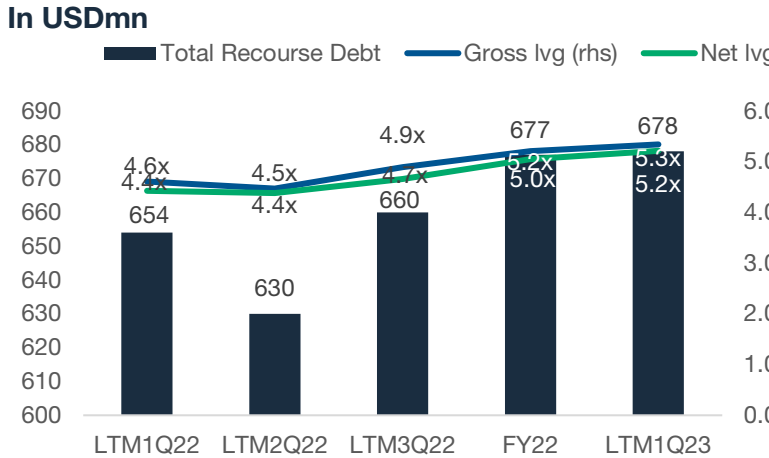
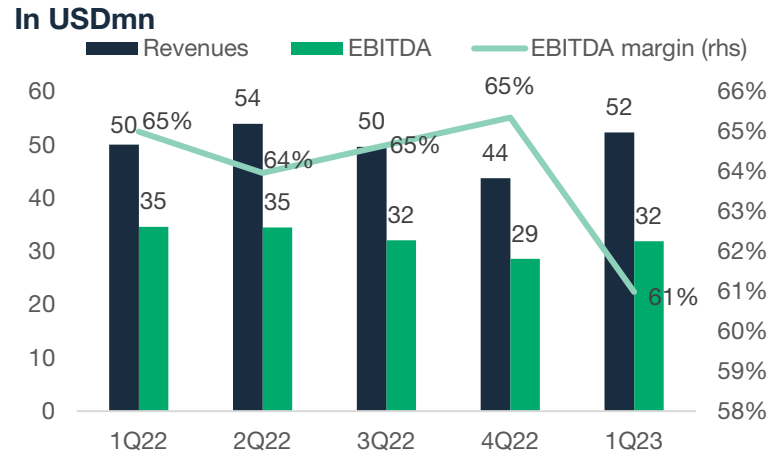
- In 1Q23, YPF Luz revenues were down by 3.5% yoy to USD110mn, with energy sold decreasing by 2.9% yoy to 2,664GWh. Thermal energy was down by 6.1% yoy to 2,210GWh, due to Loma Campana II forced maintenance. Renewable energy increased +16.7% yoy to 454GWh, driven by Manantiales Behr and Cañadon Leon wind farms. Even so, the Adj. EBITDA was up by +2.1% to USD90mn.
- FCF turned negative to -USD47mn from USD57mn in 1Q22. This was mainly due to higher trade receivables cash outflows (+55% yoy to -USD27mn) and Capex increasing by +174% yoy to USD74mn.
- As of Mar-31st, 2023, YPF Luz reported total debt was up by 13.7% qoq to USD975mn, with short-term debt decreasing by -7.5% qoq to USD137mn. Cash & cash eq. was up by +102% qoq to USD191mn, covering ST-debt by 139%. YPF Luz's reported net leverage (related to its notes) was flat qoq at 2.0x in LTM1Q23.



Source: TPCG Research based on the company's reports

Generacion Mediterranea (ALBAAR)

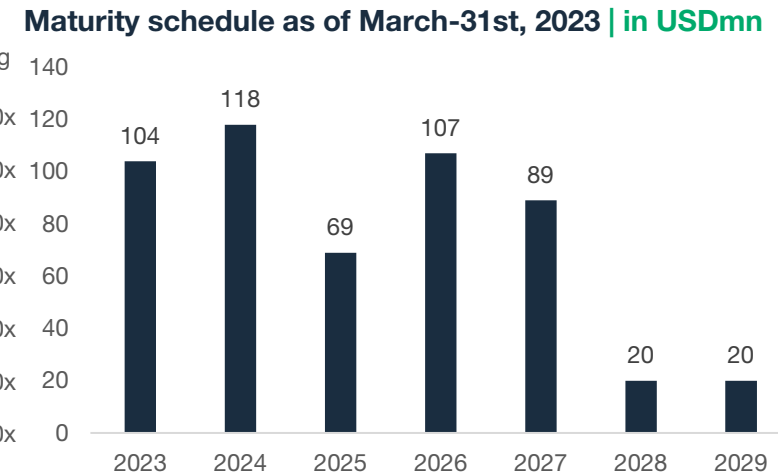
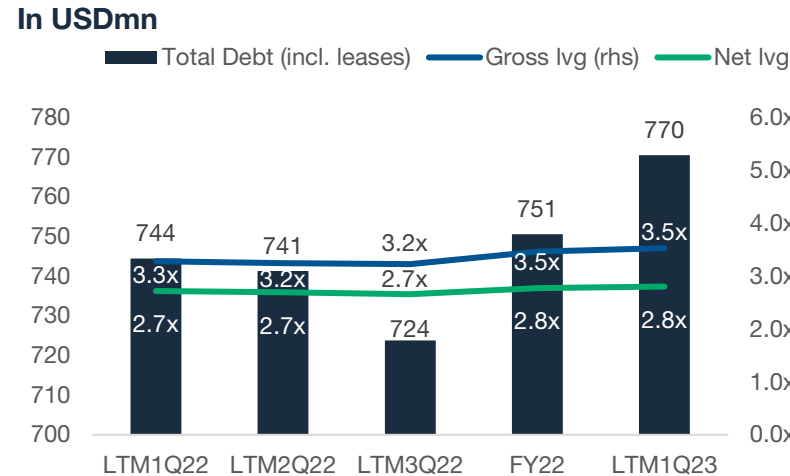
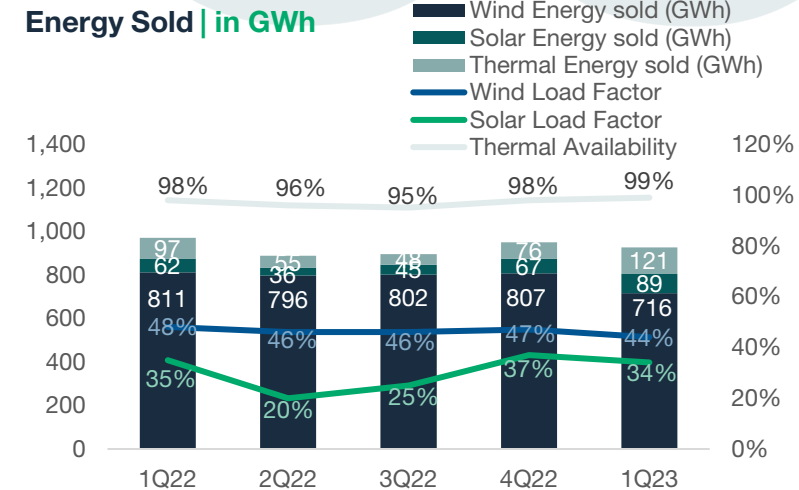
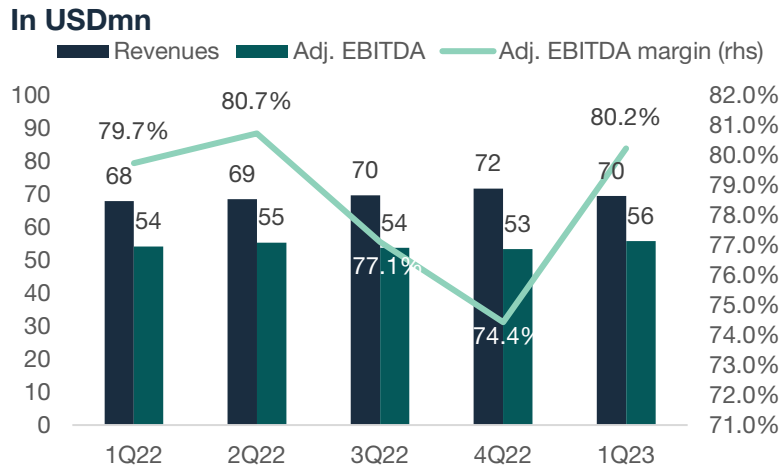
- In 1Q23, GEMSA's revenues were up +4.5% yoy USD52mn with total energy sold increasing by +31% yoy to 836GWh. Sales from Energia Base were up by +97% yoy to USD7mn due to the increase in rates. Energia Plus sales increased by +55% yoy to USD13mn due to the increase in energy dispatch. In contrast, sales from PPAs were down by 29% yoy to USD16mn.
- Adj. EBITDA was down by 8% yoy to USD32mn. The Adj. EBITDA margin came down to 61% from 69% in 1Q22. This was mainly due to the increase in maintenance services and purchases of electricity.
- FCF deteriorated to -USD12mn from -USD0.4mn in 1Q22 mainly explained by lower FFO (-28% yoy to USD30mn) and higher working capital requirements (+28% yoy to -USD28mn).
- As of March-31st, 2023, GEMSA's total debt was up by +12% qoq to USD1,042mn, while the recourse debt was flat at USD678mn. Cash & equiv. + ST investments increased by +30% qoq to USD240mn, covering short-term debt by 48%. GEMSA's net leverage (considering recourse debt) increased to 5.2x, up from 5.0x in FY22.



*It only considers recourse debt. Source: TPCG Research based on the company's reports

Genneia (GNNEIA)

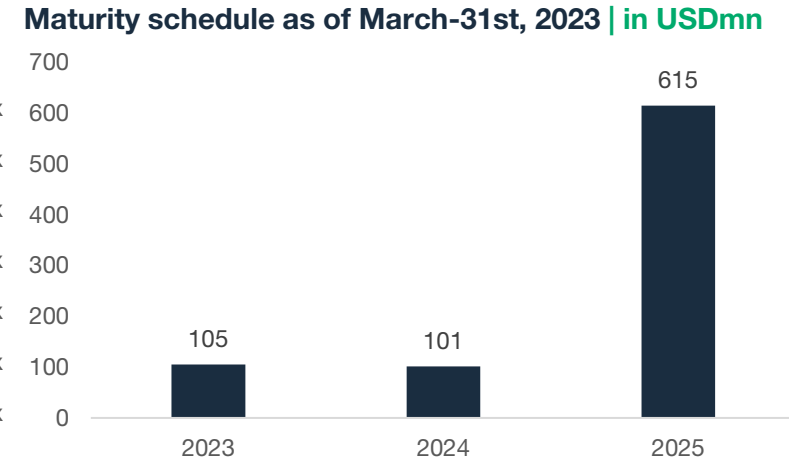
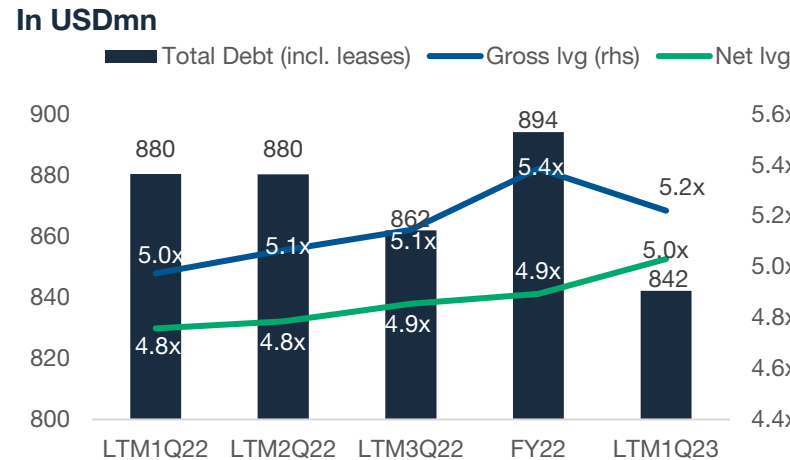
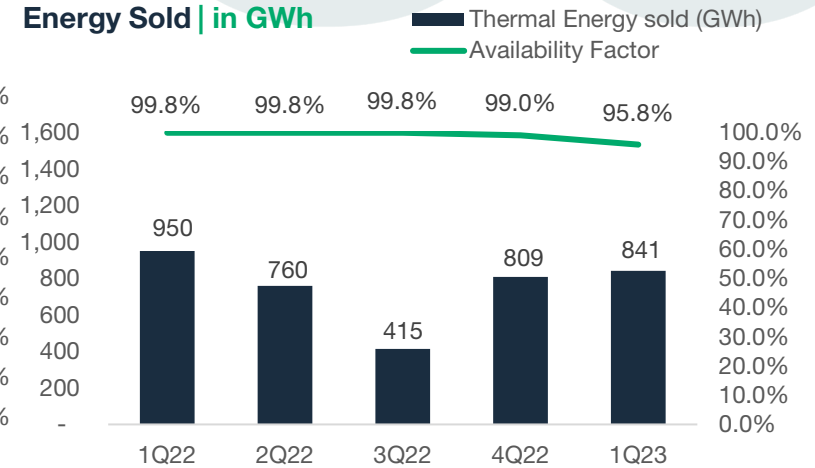
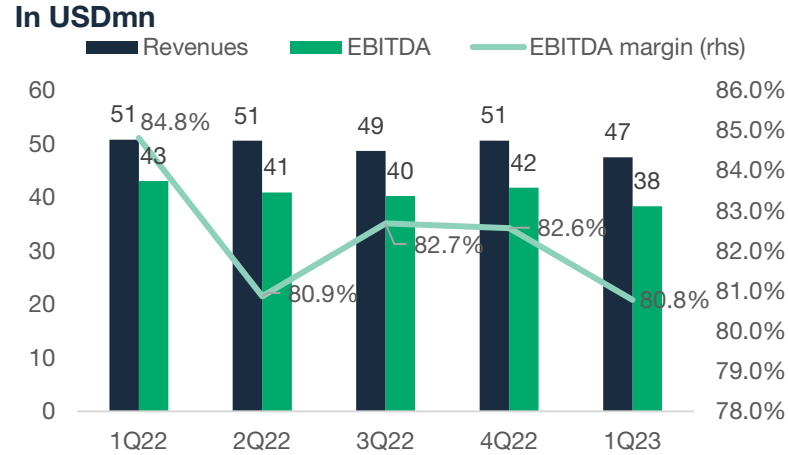
- In 1Q23, Genneia's revenues were USD70mn (+2.4% yoy). By segment, revenues from electric power generation from renewable sources, which accounted for 80% of total revenues, were down by -1.4% yoy to USD55mn. Revenues from Electric power generation from conventional sources increased by +13% yoy to USD12mn.
- Genneia's Adj. EBITDA was USD56mn (+3% yoy). The margin was flat yoy at 80%.
- Genneia's FCF was -USD11mn vs. USD29mn in 1Q22, due to trade receivable cash outflows of -USD8.9mn and Capex increasing by +125% yoy to USD41mn in 1Q23.
- In March, the company finished Sierras de Ullum Solar park of 78MW.
- As of March-31st, 2023, Genneia's total debt (incl. leases) was up by +3% qoq to USD770mn. Cash & Equiv. + ST investments increased by +6% qoq to USD158mn, covering short term maturities by 90%. Genneia's net leverage was flat qoq at 2.8x in LTM1Q23.



Source: TPCG Research based on the company's reports

MSU Energy (MSUNRG)

- In 1Q23, MSU Energy's revenues and EBITDA were down by -6.5% and -11% yoy to USD47mn and USD38mn, respectively. The EBITDA margin remained high at 81% but decreased from 85% in 1Q22.
- In 1Q23, MSU Energy thermal energy sold was down by 11% yoy to 841GWh.
- FCF was -USD3.3mn vs. USD1mn in 1Q22, with trade receivable cash outflows increasing by +47% yoy to -USD14mn. Capex increased to USD3.9mn from USD0.8mn in 1Q22.
- As of March-31st, 2023, MSU Energy's total debt was down by 4.4% qoq to USD842mn. Cash & equiv. was down by 20% qoq to USD31mn, it only covered ST debt by 22%. MSU Energy's net leverage was up to 5.0x in LTM1Q23 from 4.9x in FY22.

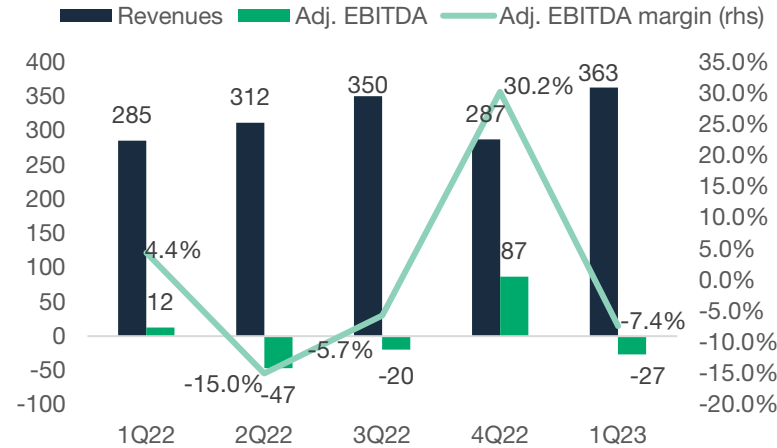


Source: TPCG Research based on the company's reports

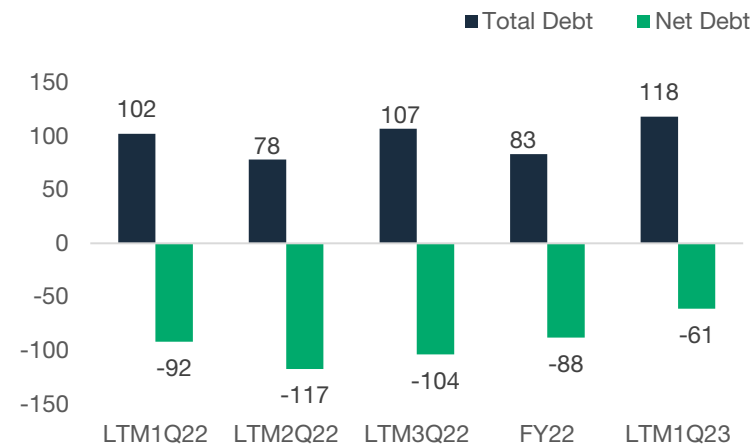
Edenor (EDNAR)

- Edenor is the largest electricity distributor in Argentina. The company has the exclusive right to distribute electricity in the north-western part of Greater Buenos Aires and the northern part of the City of Buenos Aires until 2087.
- In 1Q23, Edenor's revenues were up by 12% to ARS69,809mn (+27% yoy in USD terms to USD363mn). The Adj. EBITDA turned negative to -ARS5,175mn (-USD27mn), due to the increase in operating costs.
- FCF was negative at -USD38mn vs. USD28mn in 1Q22. The increase in trade payables cash inflows by +2.2x yoy to USD148mn, helped to partly offset the negative FFO coupled with higher trade receivables cash outflows and capex (USD46mn, +115% yoy).
- As of March-31st, 2023, Edenor's total debt was up by 42% qoq to USD118mn. Cash & equiv. decreased by 5% qoq to USD179mn, more than covering ST debt of USD5mn. The net leverage was negative at -USD61mn.

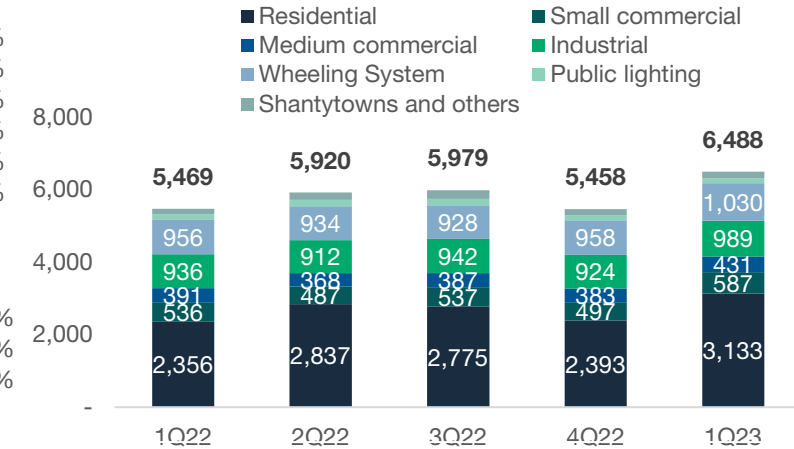
In USDmn



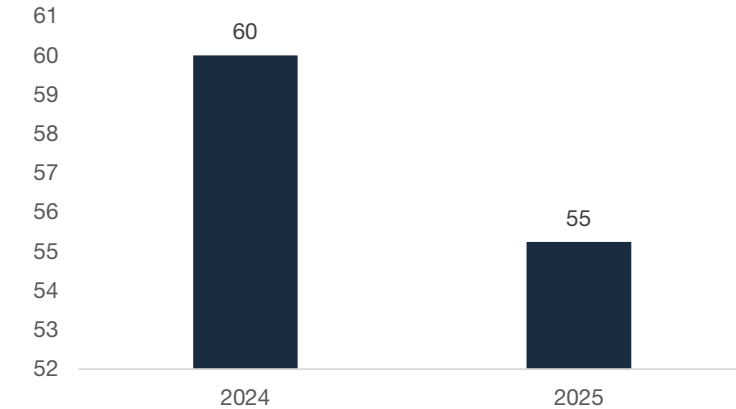
In USDmn



Sales of electricity | in GWh



Maturity schedule as of March-31st, 2023 | in USDmn



Source: TPCG Research based on the company's reports

Agenda

O&G

- YPF SA
- Pan American Energy
- Pampa Energia
- Cia. General de Combustibles
- Capex SA
- TGS

Utilities

- AES Argentina Generación
- YPF Luz
- Generación Mediterranea
- Genneia
- MSU Energy
- Edenor

Banks

- Banco Macro
- Banco Galicia
- Banco Hipotecario

Retail / Telcos / Real Estate

- Telecom
- Arcor
- Mastellone Hermanos
- Aeropuertos Argentina 2000
- IRSA IR

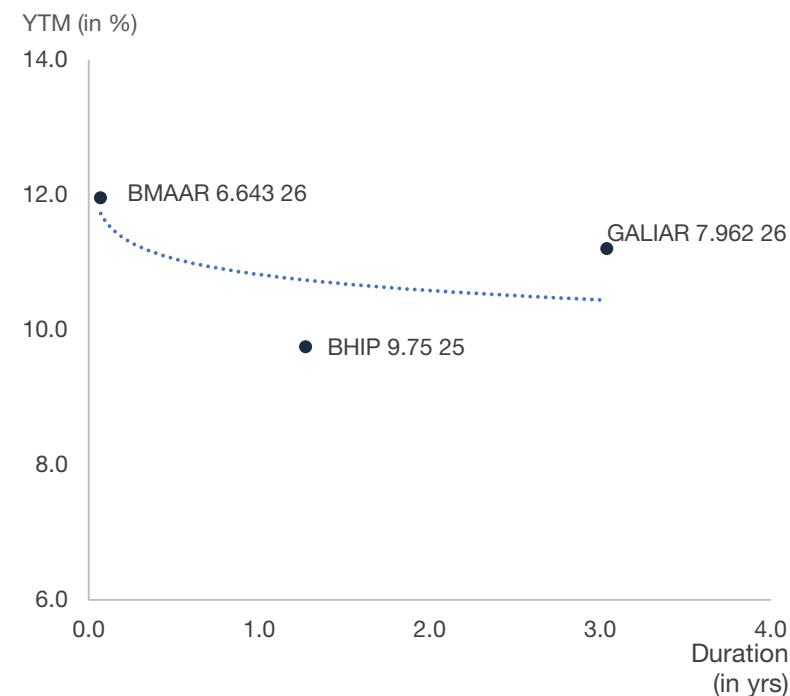
Banks' main figures

Summary financials as of 1Q23.

	Galicia GALIAR	Macro BMAAR	Hipotecario BHIP
In ARSmn			
Net Operating Income	186,318	167,799	27,836
Net Income	15,033	9,777	3,656
Net financial margin	24.1%	24.4%	14.8%
Efficiency ratio (C/I)	76.0%	25.5%	53.0%
Return on Avg. Equity (ROAE)	10.1%	8.2%	23.6%
Total Assets	3,286,634	2,430,129	427,559
Loans (net)	1,081,270	789,463	81,933
Deposits	2,264,534	1,464,338	292,539
Total Shareholders' Equity	551,040	632,817	65,384
NPLs / Gross Loans	2.9%	1.4%	2.7%
Reserves / NPLs	146%	145%	119%
Loans (net) / Deposits	47.7%	53.9%	28.0%
Liquid Assets / Deposits	114.3%	97.0%	94.1%
Leverage	6.0x	3.8x	6.5x
Tier I	21.6%	42.4%	24.6%
CAR	23.5%	39.1%	25.1%

Source: TPCG Research based on the banks' reports, Bloomberg

In 1Q23, Banks showed net operating income increasing single-digit thanks to government securities gains. Loan books continue shrinking. In turn, Banks showed lower NPL ratios and higher capital buffers. We expect the banking industry to remain weak. From our perspective, the performance of the banks' variables will remain on the same path throughout the year, as we see unlikely that the Central Bank ease interest rates.

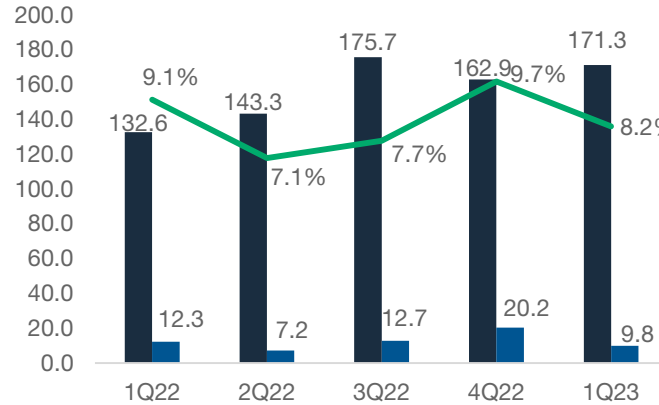


Despite this, bank stocks showed one of the strongest performance so far this year, driven by the presidential election momentum. GGAL increased by +77% YTD while BMA +61% YTD. In contrast, BMAAR 26s YTD total return was +5.1%, BHIP 25s +2.9% and GALIAR 26s +0.0%.

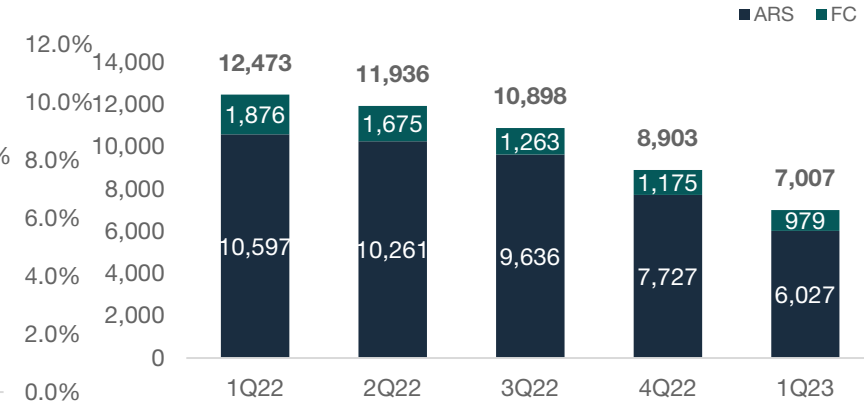
Banco Macro (BMAAR)

- Banco Macro is one of the most profitable banks, with NIM (excl. FX) of 24.4%, C/I of 25.5%, and ROE of 8.2%, mainly explained by the stable, low-cost funding provided by the payroll accounts from 4 provincial governments and SMEs.
- In 1Q23, the net operating income increased by +5% qoq to ARS167,799mn (USD803mn), explained by government securities gains of ARS9,195mn (USD44mn). However, the net income was down by 52% qoq to ARS9,777mn (USD47mn), due to the negative impact of inflation.
- Banco Macro's exposure to government securities decreased by only 2% qoq to ARS1,057,560mn (USD5,060mn), as the bank reduced its Central Bank notes position and provincial loans. Meanwhile, private sector loans were down by -3% qoq to ARS792,730mn (USD3,793mn). The NPLs ratio improved to 1.41%.
- Banco Macro's Liquid assets to total deposits stood at 97%, 3pp higher than in 4Q22. The LDR was 54%, up from 52% in 4Q22, as deposits decreased by -7% qoq.
- Banco Macro shows one of the strongest capital buffers, with Tier I and CAR at 42.4% and 39.1%, respectively.

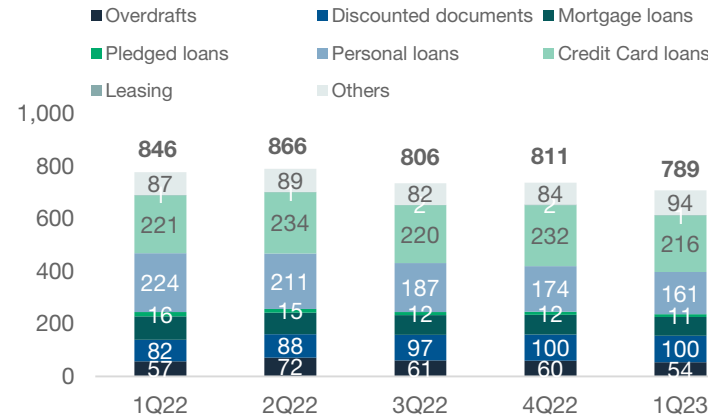
Pre-provision income & Net income in ARSBn | ROE in %



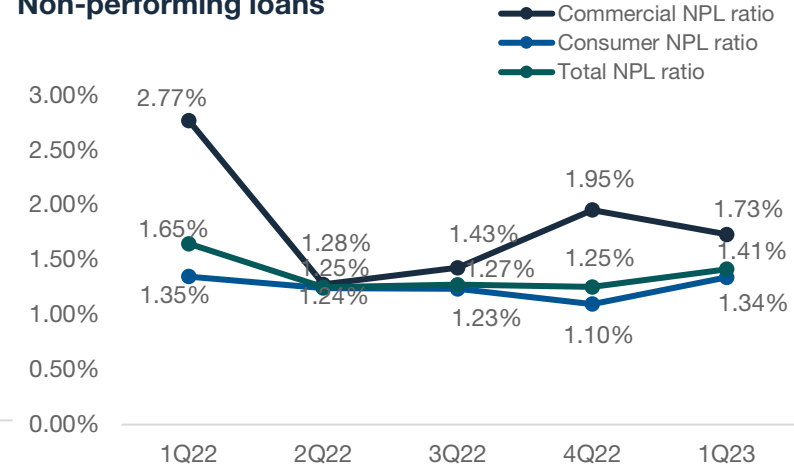
Deposits breakdown by currency | USDmn



Total loan portfolio to the private sector | ARSBn



Non-performing loans

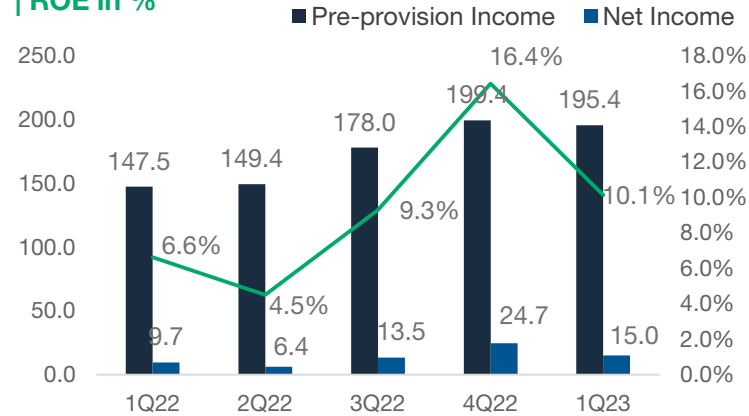


Source: TPCG Research based on the company's reports

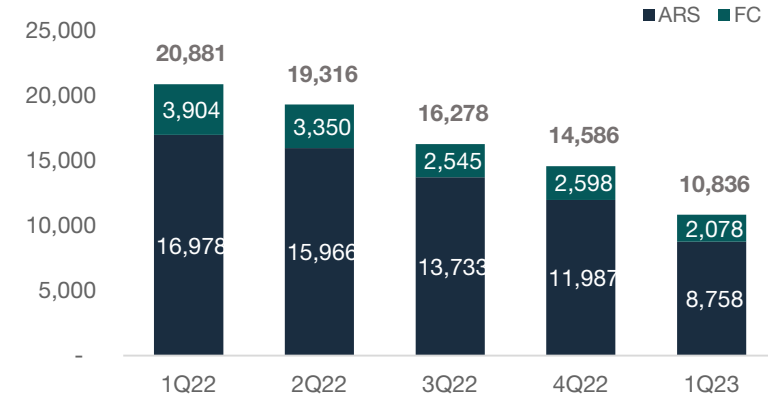
Banco Galicia (GALIAR)

- Founded in 1905, Banco Galicia is the second largest bank in Argentina regarding assets, with a market share of 8.8%. The bank owns 310 branches and a client base of 3mn customers, of which 25,111 are companies.
- In 1Q23, Banco Galicia's net operating income was up by +1% qoq to ARS186,318mn (USD892mn). The NIM improved to 24.1% from 22.6% in 4Q22. The net fee income increased +1% qoq to ARS20,655mn (USD99mn). The C/I ratio was up to 76.0% from 62.9% in 4Q22 due to a seasonality factor. ROE was down by 6.3pp qoq to 10.1%.
- Banco Galicia's net position in government securities was down by 18% qoq to ARS1,180,770mn (USD5,650mn). In contrast, private sector loans decreased by 5% qoq to ARS1,117,943mn (USD5,349mn). The NPLs ratio was up by 0.51pp qoq to 2.9%.
- Banco Galicia's LDR was 47.7%, down from 50.4% in 4Q22, with deposits decreasing at a higher pace than loans. Liquid assets to total deposits was 114.3%.
- The Tier I ratio was 21.6% while CAR was 23.5%.

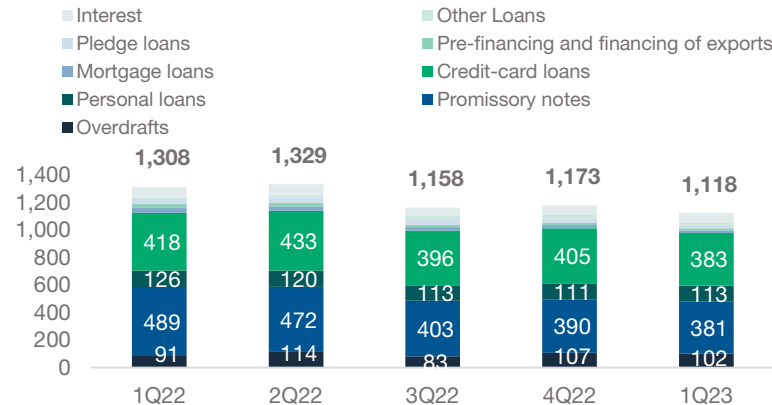
Pre-provision income & Net income in ARSBn
| ROE in %



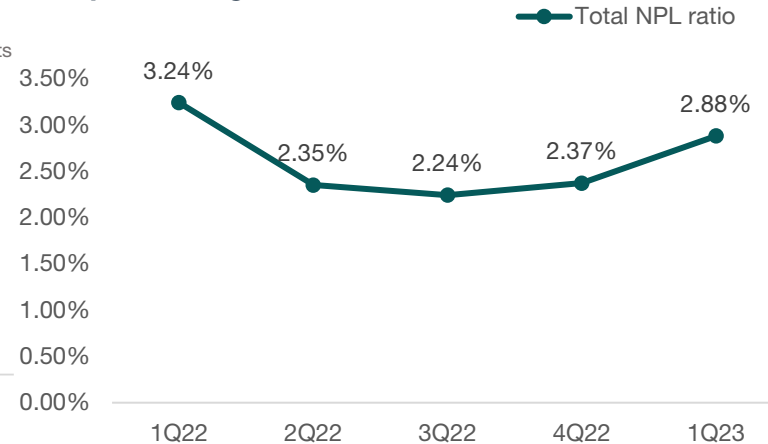
Deposits breakdown by currency | USDmn



Total loan portfolio | ARSBn



Non-performing loans

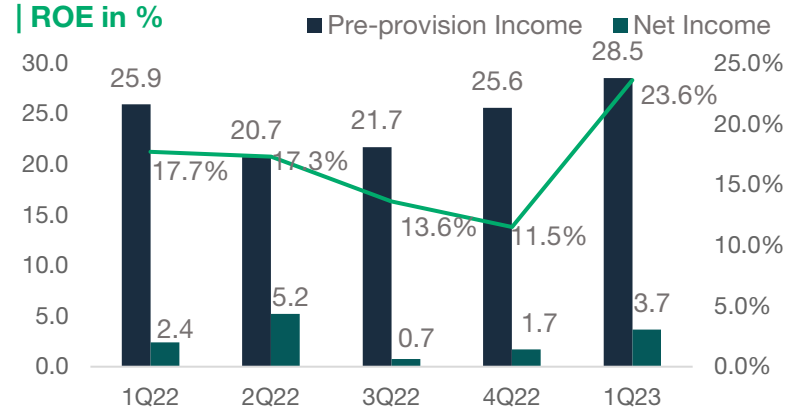


Source: TPCG Research based on the company's reports

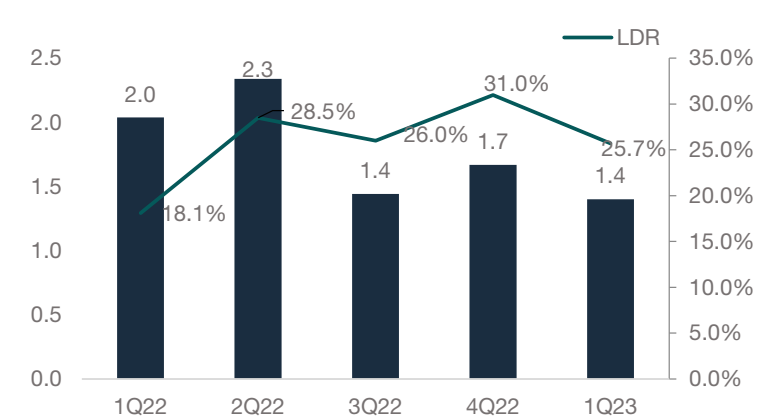
Banco Hipotecario (BHIP)

- Banco Hipotecario is a universal bank focused on mortgages. It acts as trustee for the government-sponsored PROCREAR program
- In 1Q23, Banco Hipotecario's net operating income was ARS27,836mn (USD133mn), up +6% qoq, driven by the increase in income from government securities (+9% qoq to ARS22,702mn or USD109mn) which helped to offset the increase in net interest income losses. The C/I ratio improved to 53% from 69.8% in 4Q22. The ROE was up to 23.6% from 11.5% in 4Q22.
- Lending decreased by 11.5% qoq to ARS81,933mn (USD392mn), with credit cards and mortgage loans down by 5.8% and 5.9% qoq to ARS28,254mn and ARS19,252mn, respectively. The NPLs ratio stood at 2.7% down from 4.8% in 4Q22, with the commercial portfolio NPL ratio decreasing to 3.1% from 8.0% in 4Q22.
- Banco Hipotecario's LDR ratio was up to 28% from 26% in 4Q22. The Liquid Assets / Deposit was down to 94.1% from 96.5% in 4Q22.
- The Tier I ratio was up to 24.6% from 22.6% in 4Q22. The CAR improved to 25.1% from 23.1% in 4Q22.

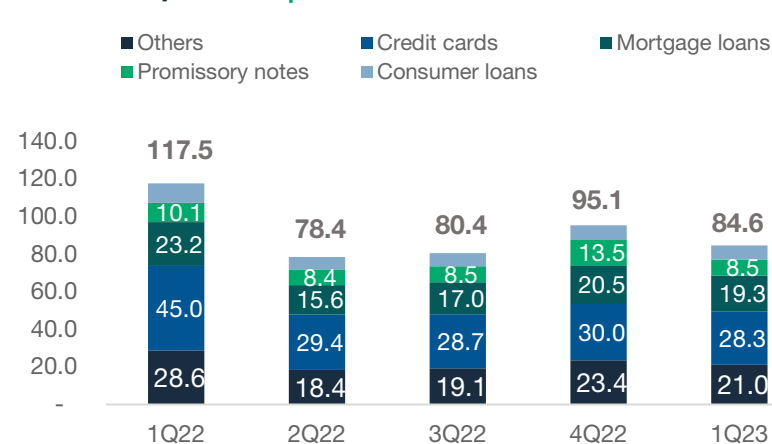
Pre-provision income & Net income in ARSBn



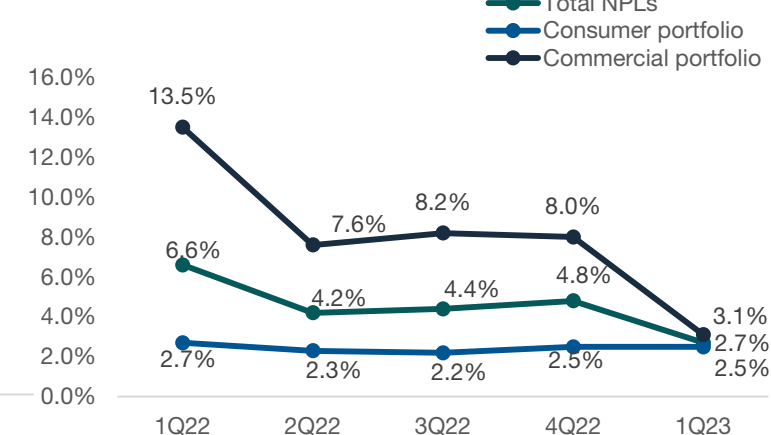
Deposits in USDBn | Loans to Deposit ratio



Total loan portfolio | ARSBn



Non-performing loans



Source: TPCG Research based on the company's reports

Agenda

O&G

- YPF SA
- Pan American Energy
- Pampa Energia
- Cia. General de Combustibles
- Capex SA
- TGS

Utilities

- AES Argentina Generación
- YPF Luz
- Generación Mediterranea
- Genneia
- MSU Energy
- Edenor

Banks

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- Banco Galicia
- Banco Hipotecario

Retail / Telcos / Real Estate

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- Arcor
- Mastellone Hermanos
- Aeropuertos Argentina 2000
- IRSA IR

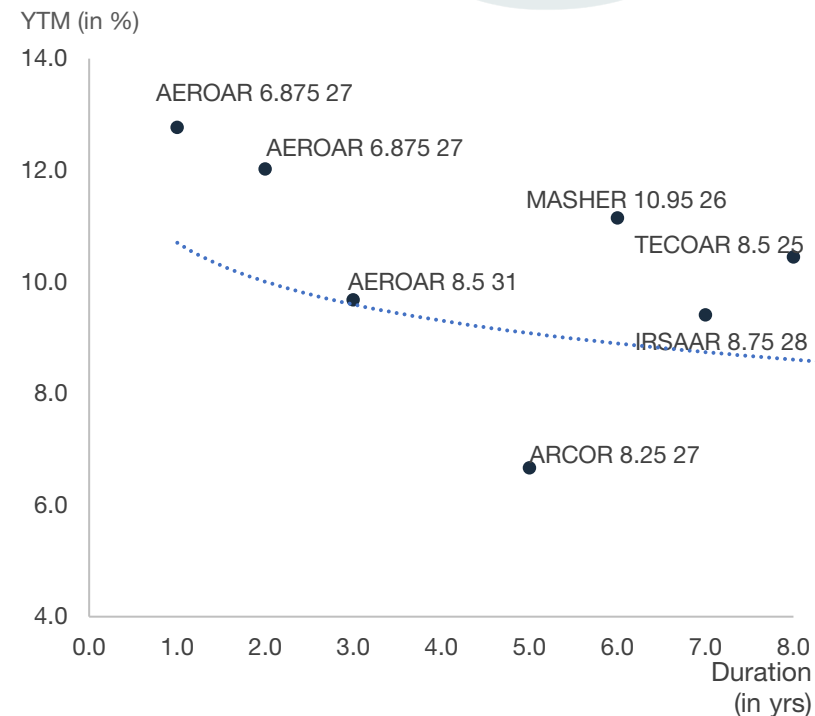
Retail / Telcos / Real Estate main figures

Summary financials as of 1Q23

	Telecom TECOAR	Arcor ARCOR	Mastellone Hnos. MASHER	AA 2000 AEROAR	IRSA IR IRSAAR
In USDmn	1Q23				3Q23
Revenues	1,028	940	286	193	78
EBITDA	311	90	(2)	85	33
Net Income	136	56	(2)	37	62
Gross Margin	-	27.5%	24.7%	42.8%	65.0%
EBITDA Margin	30.3%	9.6%	-0.8%	43.9%	42.6%
Capex	(89)	(20)	(4)	(29)	(3)
Free Cash Flow	78	(25)	8	8	105
Cash & Cash Eq. + ST Investments	439	151	30	158	192
ST Debt (incl. leases)	919	432	16	68	135
Total Debt (incl. leases)	2,897	756	207	707	409
(Cash + ST Investments) / ST Debt	48%	35%	193%	234%	143%
Gross Leverage (incl. leases) (LTM)	2.7x	2.1x	4.4x	2.4x	2.6x
Net Leverage (incl. leases) (LTM)	2.3x	1.7x	3.8x	1.9x	1.4x

Source: TPCG Research based on the companies' reports, Bloomberg

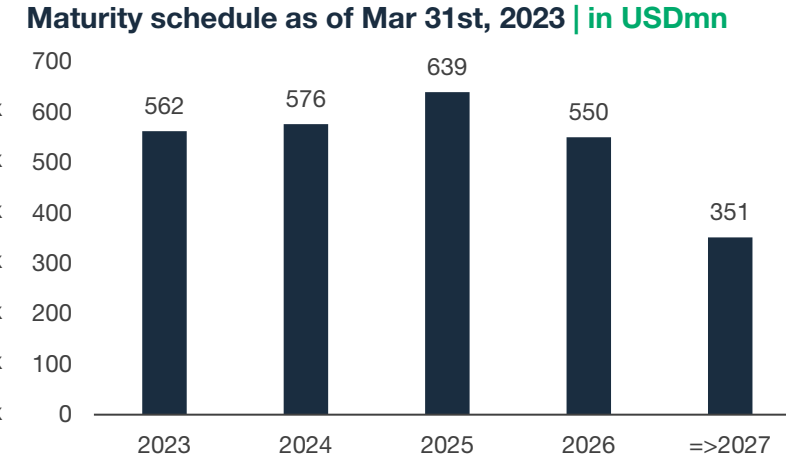
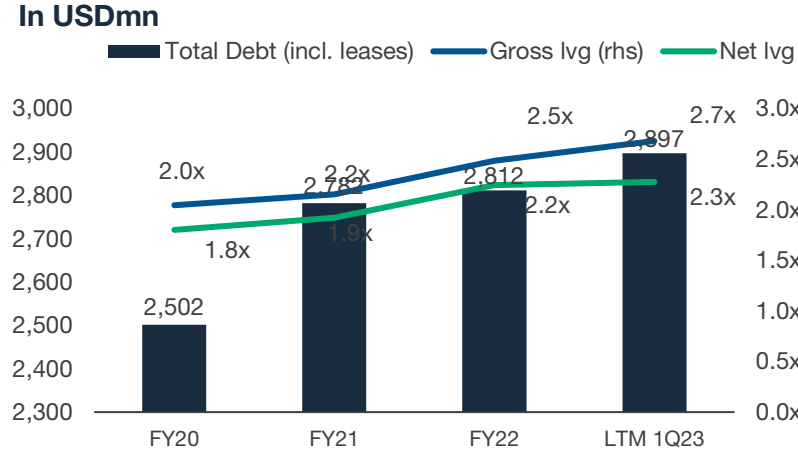
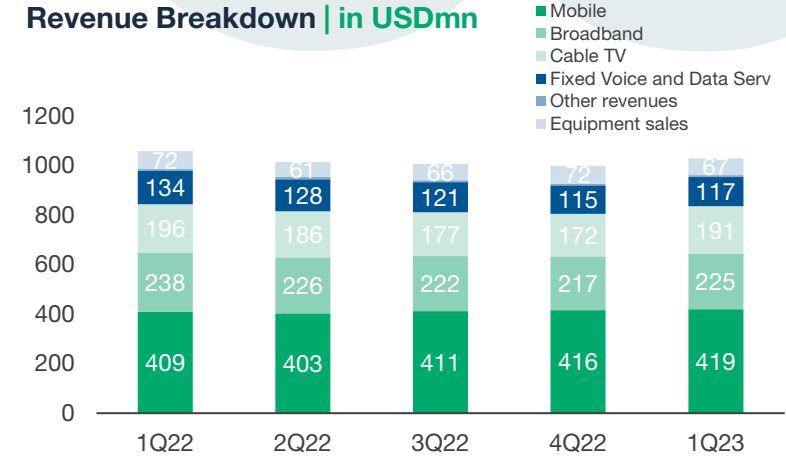
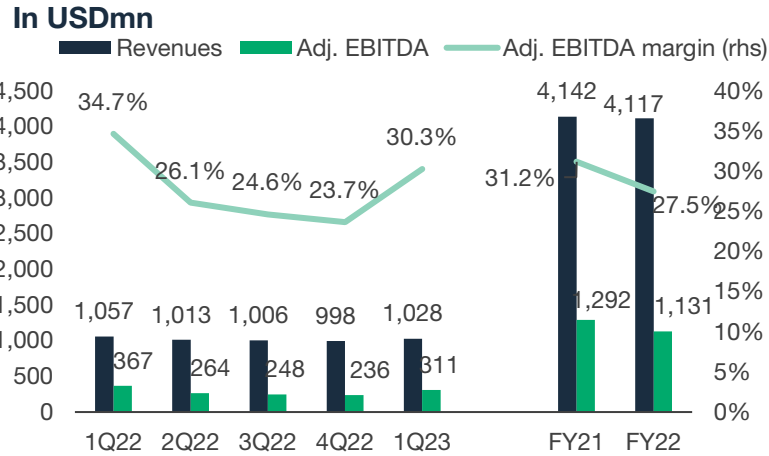
For TECOAR, ARCOR, and MASHER we would expect a deterioration in margins as inflation ramps up and activity slows down. For the latter two, we would expect that the operations abroad together with exports, could partially offset the adverse context in Argentina.



For IRSA, we believe it benefits from having a liquid dollarized asset base that it could use in an adverse scenario as it has done in the recent past, and its credit health remains in shape. For AEROAR, the credit profile stands strong with manageable debt maturities for 2023 and 2024, and continues to see improvement in PAX, especially in the international segment.

Telecom Argentina (TECOAR)

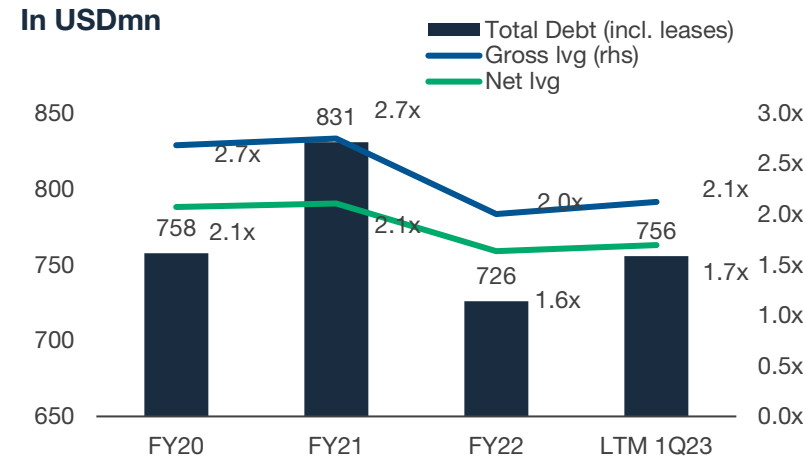
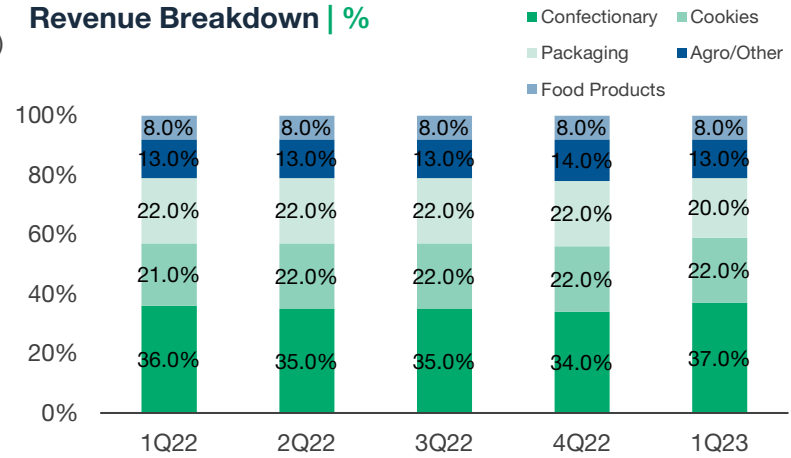
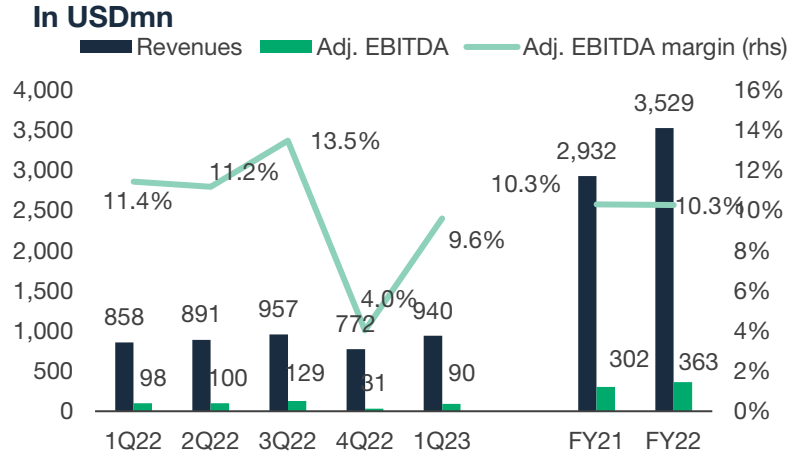
- Total revenue fell by 10.4%yoy in 1Q23 reaching ARS 214bn (USD 1,028mn). The Opex dropped by 4.4%yoy to ARS 149bn (USD 717mn). The EBITDA went down by 21.8%yoy to ARS 65bn (USD 311mn) resulting in an EBITDA margin of 30.28%, a figure 4.4pp lower than last year. All ARPUs fell in real terms, and the only client base growing compared to last year was mobile telephony.
- The FFO dropped by 25.4%yoy closing at ARS 60bn in 1Q23, after a decline in profitability. After considering a larger working capital outflow (from -ARS 5bn to -ARS 7bn), flat interest payments (around -ARS 18bn), and lower taxes paid (from -ARS 1bn to -ARS 292mn) the CFO closed the period at ARS 34bn from ARS 57bn last year. After a substantial reduction in capex (from -ARS 46bn to -ARS 18bn) the FCF closed the period at ARS 16bn (USD 78mn). The capex-to-sales ratio dropped by 10.7pp to 8.6% in 1Q23.
- The cash & eq. position closed the period at ARS 91bn (USD 439mn) covering 48% of the ST debt and increasing 55%qoq given the increase in investments. The total debt reached ARS 605bn (USD 2,897mn), where 33% is denominated in pesos. In dollar terms, it represents a net leverage position of 2.3x flat relative to the last quarter.



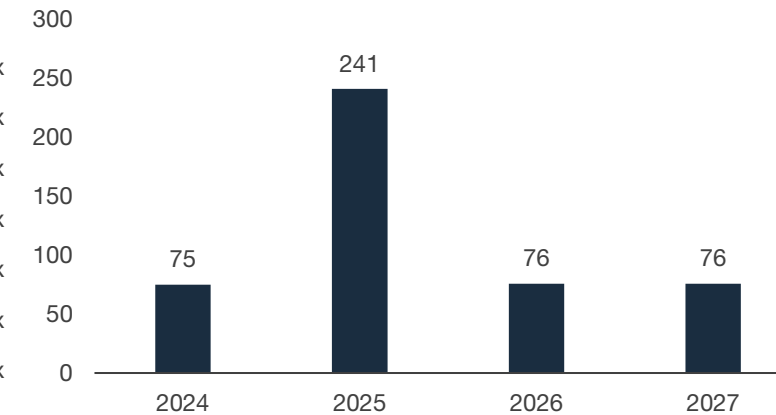
Source: TPCG Research based on the company's reports

Arcor (ARCOR)

- Total revenue grew by 0.3%yoy to ARS 196bn (USD 940mn) in 1Q23. Sales in Argentina represented 68.7% of the total with its share standing flat compared to last year. The Opex went up by 1.9%yoy to ARS 181bn (USD 867mn), influenced by an increase in COGs. All in all, the Adj. EBITDA went down -15.7% to ARS 18bn (USD 90mn) narrowing its margin by 1.8ppyo to 9.6%.
- The FFO dropped by 12.4%yoy to ARS 18bn given a weaker profitability. After higher outflows from the working capital, interest expenses, and taxes paid, the CFO turned negative at -ARS 1bn from a positive figure last year at ARS 5bn. After considering the capex, which increased 60%yoy to ARS 4bn, the reported FCF closed at -ARS 5bn (USD 25mn) from ARS 3,060mn last year.
- The cash & eq. position closed the period at ARS 31bn (USD 151mn), covering 35% of the ST debt. The total debt reached ARS 157bn (or USD 755mn), where 64% of it is denominated in dollars and increased 2%yoy. With that, the dollar net leverage position closed at 1.7x. It is worth noting that 34% of ST's debt services were related to the ARCOR23 note, which has been called, and to fund the operation it issued three local notes (two denominated in pesos for ARS 22,000mn and one in dollars for USD 77mn) for a total amount close to USD 173mn.



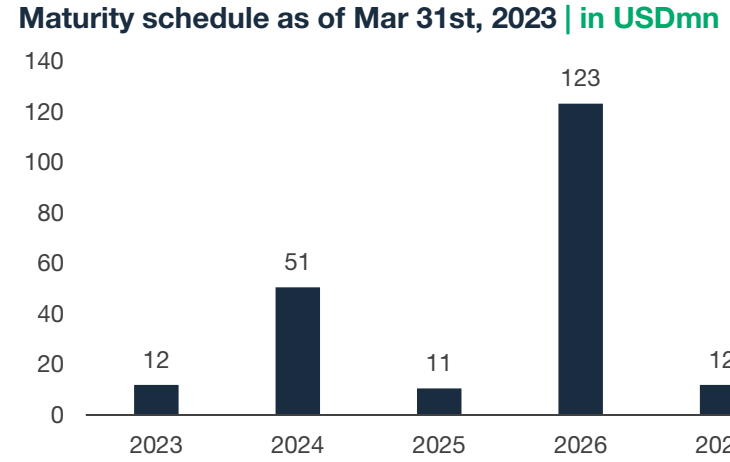
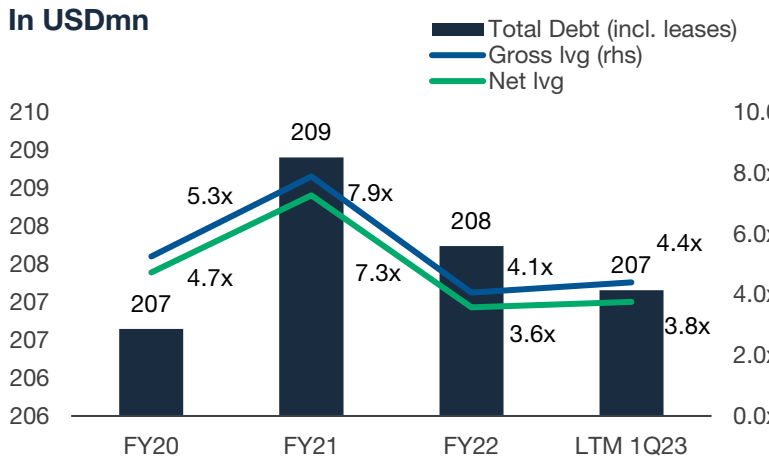
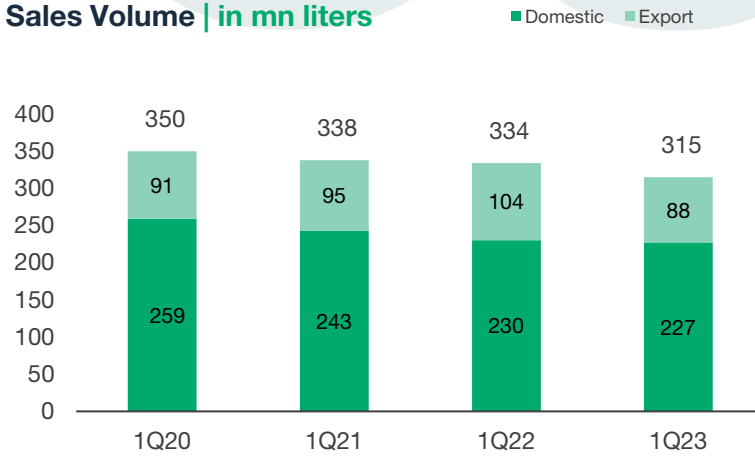
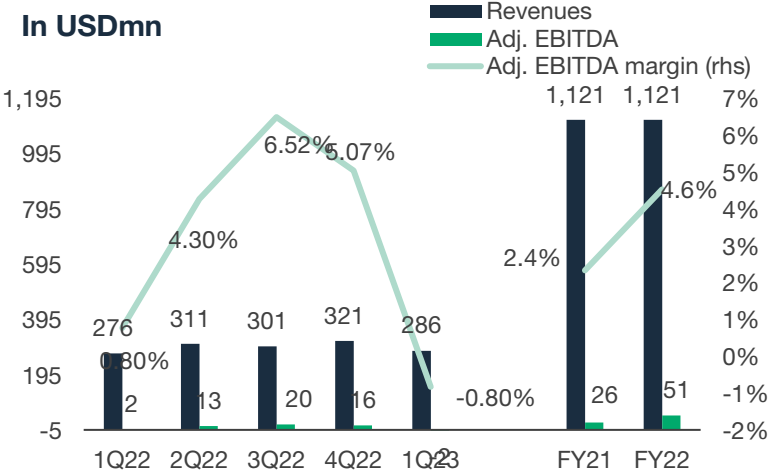
Pro-Forma Mat. Schedule (Ex. Loans) | in USDmn



Source: TPCG Research based on the company's reports

Mastellone Hermanos (MASHER)

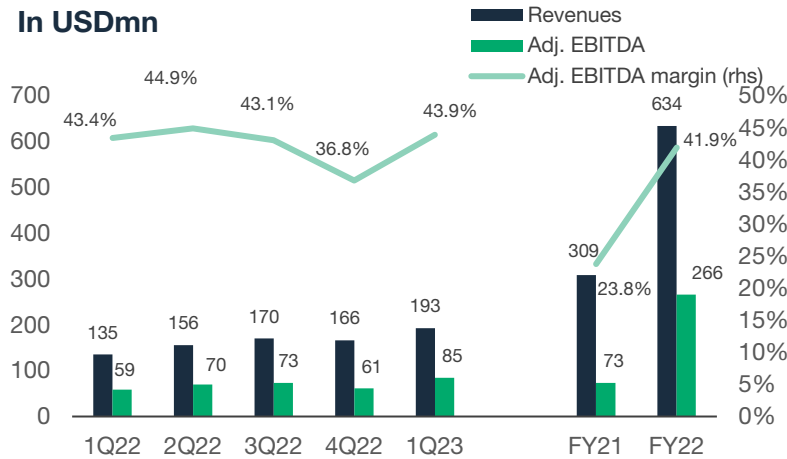
- Total revenue dropped 6.6% to ARS 59bn (USD 286mn). The Opex went down by -5.7%yoy to ARS 62bn (USD 298mn) given higher efficiencies and lower production. With that, the Adj. EBITDA closed at -ARS 477mn (-USD 2.2mn), from ARS 487mn last year. It is worth noting that the company has high seasonality in 1Q and 4Q, with the 2Q and 3Q being the quarters with the largest volumes and cash generation.
- The FFO dropped to ARS 529mn from ARS 1bn last year after weaker operations during the period. After a higher positive working capital effect (from ARS 1bn to ARS 2.7bn), and lower interest expenses (from -ARS 1bn to -ARS 961mn), the CFO closed at ARS 2bn from ARS 1.5bn last year. After considering a flat capex at ARS 898mn, the FCF reached ARS 1.5bn (USD 7mn).
- The cash & eq. position closed the period at ARS 6bn (USD 30mn) covering 1.9x the ST debt and increasing 7.3%qoq. The total debt position reached ARS 43bn (USD 207mn). In dollar terms, the net leverage position grew to 3.8x from 3.6x in the last quarter. Lower economic activity in Argentina and international prices would narrow the company's profitability in 2023. Still, we believe that the company benefits from manageable debt services for the current year, with the main maturity being a local note for an amount close to USD 12mn.



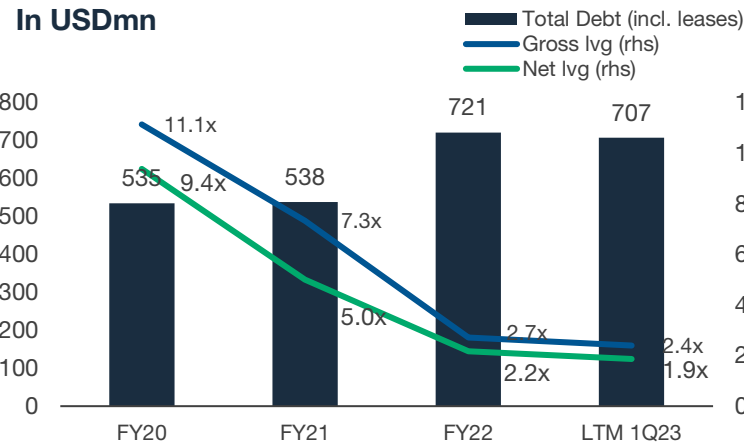
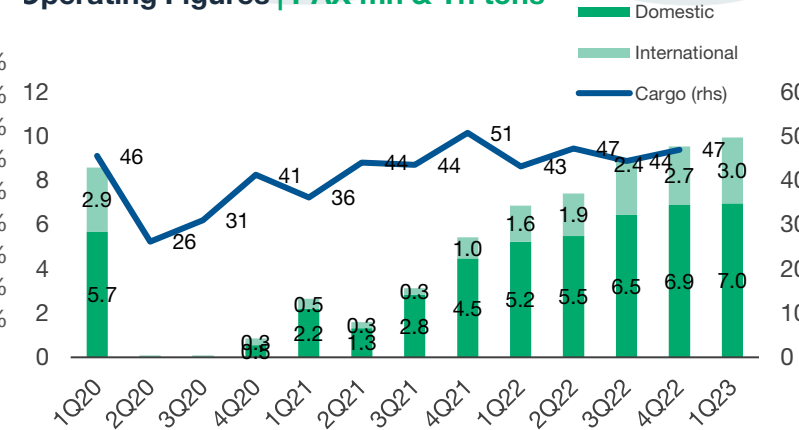
Source: TPCG Research based on the company's reports

Aeropuertos Argentina 2000 (AEROAR)

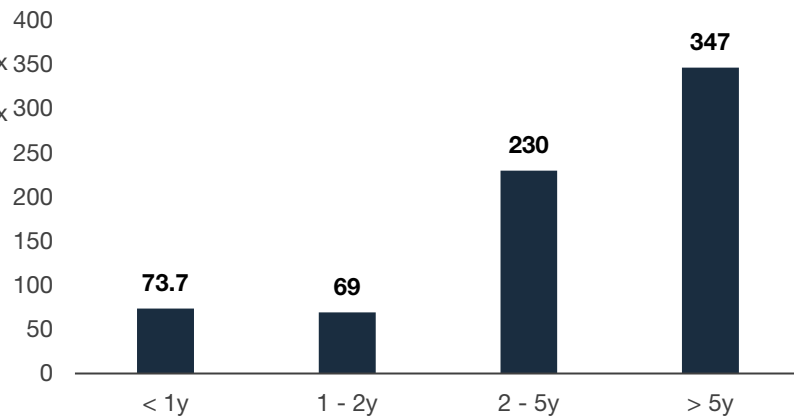
- Total sales were ARS 40bn (USD 193mn), +32%yoy. The aeronautical revenues represented 57% of the total and grew 60%yoy. The commercial revenue represented the remaining 43% and increased 7%yoy, in line with a higher operational volume. The Adj. EBITDA reached ARS 18bn (USD 85mn), resulting in a margin of 44% (+0.5ppoyoy).
- In 1Q23 the total number of passengers (PAX) climbed 45.3%yoy to 10.3mn. Of that amount, 68% were domestic growing 33%yoy and +0.81% versus 1Q19. The international PAX amounted to 29% and increased by 83%yoy to 3mn.
- The FFO reached ARS 12bn (USD 56.6mn) from ARS 7bn last year. After larger working capital outflows and lower interest expenses, the CFO closed at ARS 8bn from ARS 3bn last year. Finally, after factoring in higher capex the FCF closed at ARS 1.6bn (USD 8mn).
- The company reported cash & eq. position of ARS 33bn (USD 158mn), which covers 2.3x the ST debt. Total debt (including leaseings) reached ARS 148bn (USD 707mn), which resulted in a dollar net leverage position of 1.9x, decreasing from 2.2x last quarter.



Operating Figures | PAX mn & Th tons



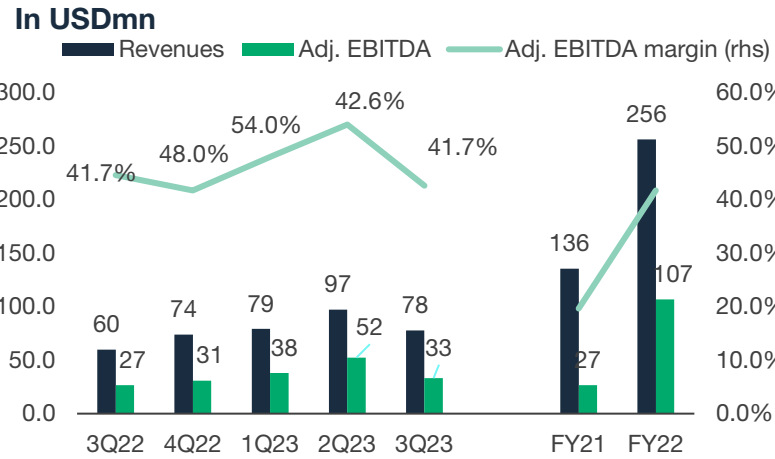
Maturity schedule as of Mar 31st, 2023 | in USDmn



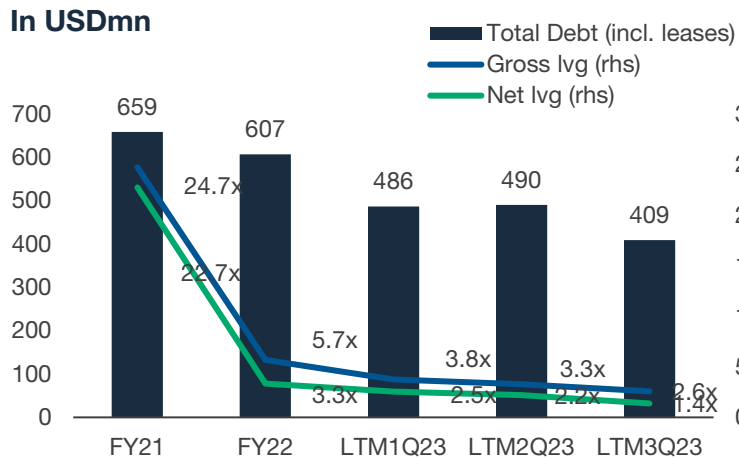
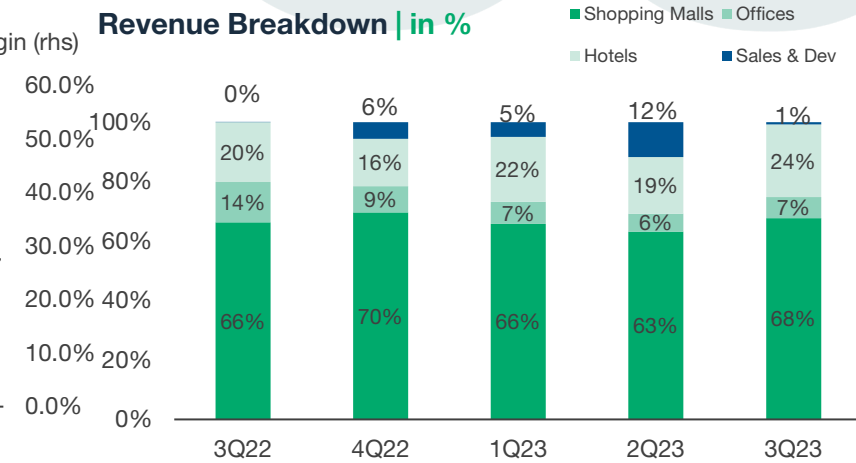
Source: TPCG Research based on the company's reports

IRSA Inversiones y Representaciones (IRSAAR)

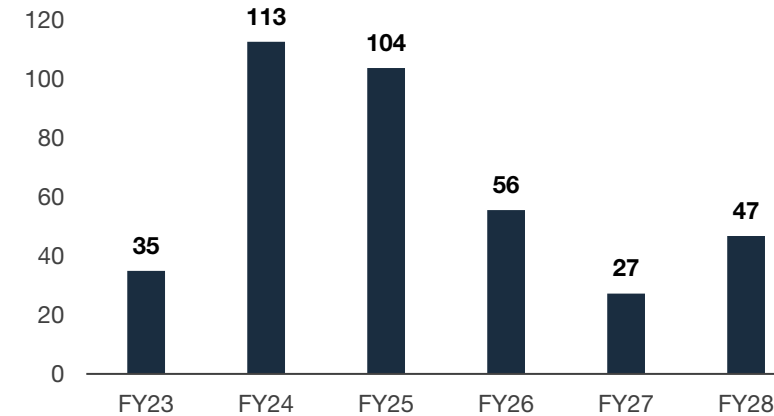
- IRSA's total revenues grew 20%yoy in real terms to ARS 16bn in 3Q23 (USD 78mn). The company's EBITDA under our estimations (which excludes the effects of changes in FV of assets, and other G&L) climbed 15%yoy to ARS 7bn (USD 33mn) and resulted in an Adj. EBITDA margin of 43%. The company's reported EBITDA closed at ARS 14bn (+34%yoy). For the 9M23 period, the total revenue grew by 36%yoy to ARS 54bn (USD 258mn), and our estimated EBITDA went up by 58%yoy to ARS 26bn (USD 126mn).
- The company's FFO grew over 56%yoy to ARS 22bn in 9M23. Lower interest expenses (from -ARS13bn to -ARS8bn), but higher taxes (from -ARS427mn to -ARS2bn) resulted in a CFO of ARS 12bn. After considering a lower capex (from -ARS5bn to -ARS2bn) and asset sales (from ARS 24bn to ARS 20bn), the FCF closed at ARS 30bn (USD 142mn), from ARS 20bn last year.
- The cash & eq. closed the period at ARS 40bn (USD 192mn), covering 1.4x the ST debt. The total debt position closed at ARS 86bn (USD 409mn). In dollar terms, the net leverage position closed at 1.4x. In 3Q23 the company did some LBO to cancel two global notes due this year and raised additional funds to repay their principal. In 4Q23 the company distributed dividends for an amount close to ARS 22bn (USD 98mn).



Revenue Breakdown | in %



Maturity schedule as of Mar 31st, 2023 | in USDmn



Source: TPCG Research based on the company's reports

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