



BOMCHIL

Privatization of AySA S.A. **Executive Summary**

May 19, 2026

The Argentine National Government published Resolution No. 704/2026 of the Ministry of Economy (Official Gazette, May 15, 2026), authorizing the call for National and International Multi-Stage Public Tender No. 504/2-0003-LPU26 for the privatization of Agua y Saneamientos Argentinos S.A. (AySA).

The transaction involves the sale of 90% of the State's equity stake to a single Strategic Operator, with bids due by August 27, 2026 via CONTRAT.AR.

AySA holds the exclusive concession for the provision of potable water and sewerage collection services across Buenos Aires City and 26 districts of Greater Buenos Aires — serving approximately 14 million people, one of the largest water utilities in Latin America.

The tender process and the new concession fall under the new Regulatory Framework for the provision of public water and sanitation services (Law No. 26,221, as amended by Executive Decree of Necessity and Urgency No. 493/25). This new regulation aims to achieve better financial, economic, tariff and institutional conditions, as well as to satisfy investment needs and enhance service quality.

Key Transaction Data

Stake Offered
90%

Class A shares
held by the State
No minimum price

Bid Bond
USD 25M

Irrevocable · On-demand ·
120-day validity, automatically
renewable

Concession Term
30 Yrs

+ 10-year option
No concession fee

Service Area
~14M

Inhabitants · 3.8 million
billed accounts · CABA
+ 26 GBA districts

About AySA

Company Overview

[Incorporated in 2006 \(Decree 304/06\)](#); successor to Aguas Argentinas S.A. It operates as a public service concessionaire under the Argentine Companies Law No. 19,550.

[Exclusive concessionaire for the public potable water supply and sewerage services in CABA and 26 GBA districts](#) (Almirante Brown, Avellaneda, Esteban Echeverría, Ezeiza, Escobar, Florencio Varela, General San Martín, Hurlingham, Ituzaingó, José C. Paz, La Matanza, Lanús, Lomas de Zamora, Malvinas Argentinas, Merlo, Moreno, Morón, Pilar, Presidente Perón, Quilmes, San Fernando, San Isidro, San Miguel, Tigre, Tres de Febrero and Vicente López) plus Berazategui for bulk sewer effluent reception.

[Major infrastructure](#): three large potabilization plants (General San Martín, General Belgrano and Juan Manuel de Rosas), multiple groundwater treatment plants and wastewater treatment facilities, pumping stations and an extensive distribution and collection network.

[3.8 million billed accounts covering water and/or sewage](#), serving a total population of approximately 15 million people across the concession area.

[~6,000 employees](#). 10% of share capital held by employees under the Employee Ownership Program (*Programa de Propiedad Participada* - PPP, Law No. 23,696) — not subject to this tender.

[Audited financial statements as of December 31, 2025](#) available in the Data Room (audited by Pistrelli, Henry Martin y Asociados S.A. and the National General Auditor).

Transaction Structure

Process Mechanics

[What is being sold](#): 135,000,000 Class A ordinary book-entry shares (90% of capital and votes), free and clear of liens and encumbrances. Payment in full at closing in USD or ARS at the BCRA reference rate (Communication “A” 3500).

[Strategic Operator \(SO\)](#): The winner must incorporate an Argentine company (Law No. 19,550) with the sole purpose of holding AySA shares. This entity shall sign the Share Purchase Agreement and become a party to the Concession Agreement.

[Technical Operator](#): The SO (or a consortium participant holding $\geq 15\%$) must demonstrate continuous operation of a water/sanitation company serving $\geq 1,500,000$ inhabitants and $\geq 500,000$ users for at least 5 out of the last 10 years, with equity or operational involvement.

[No minimum price](#): Highest USD bid wins, subject to the minimum valuation threshold of the share package determined by a National Public Sector bank.

[Technical tie](#): If the difference between the best bids is within the 5% threshold, bidders are invited to improve their proposals, as many times as necessary.

[Concession Agreement](#): AySA and the State executed the new Concession Agreement on May 7, 2026 (CONVE-2026-46051085-APN-DGGDTYAI#MEC), approved under Resolution No. 543/2026. The concession is granted free of charge (no concession fee payable to the State).

Eligibility Requirements

Legal Eligibility	Technical Requirements	Financial Requirements
<ul style="list-style-type: none"> • Domestic or foreign entity with registered domicile or branch in Argentina. • Joint bids of 2 or more participants are admitted, provided a Technical Operator is designated. • No state-controlled entities admitted. • CONTRAT.AR registration and validation required. • No bankruptcy, insolvency proceedings or tax liabilities. • No WB/IADB debarment; no criminal convictions. • Integrity Program (Law No. 27,401). • Anti-corruption sworn statements. • Bid bond. 	<ul style="list-style-type: none"> • Technical Operator: ≥ 5 years of continuous operation (last 10 years) of water/sanitation company. • Minimum: 1,500,000 inhabitants and 500,000 users served. • Equity participation or technical assistance/operation contract required. • In joint bids: Technical Operator must hold $\geq 15\%$ of the consortium. • Obligation to maintain Technical Operator status throughout concession term. 	<ul style="list-style-type: none"> • Net worth \geq USD 300M (or AUM \geq USD 1B for funds/investment vehicles). • Solvency ratio (Total Assets / Total Liabilities) ≥ 1.3 (3-yr avg.). • Liquidity ratio (Current Assets / Current Liabilities excl. financial debt) ≥ 1.0. • Leverage ratio (Net Financial Debt / Equity) ≤ 2.0. • Infrastructure financing track record \geq USD 150M (last 10 years). • Last 3 audited financial statements required. • Joint bids: requirements may be met jointly by two participants.

Concession Agreement | Key Terms

Term & Extension

30 years + 10-year option

Extension subject to substantial compliance and ERAS approval. No concession fee payable to the State.

Tariff Framework

Return-based regulation (WACC)

Five-year tariff cycles (first cycle: 2027–2031). Ordinary and Extraordinary Tariff Reviews. Periodic nominal adjustments and Quality Incentive Factor (Factor C) that adjusts revenues per service targets.

Competent Authorities

MECON + ERAS + APLA

ERAS: economic regulation, tariff approval, user complaints. APLA: strategic infrastructure planning and expansion works. Grantor: Ministry of Economy.

Concessionaire Obligations

Continuous and Universal Service

Water quality standards, pressure continuity, expansion per Action Plan, investment in maintenance and upgrades, periodic reports, independent auditors.

Performance Security

Phased Guarantee Structure

Initial guarantee already constituted + definitive performance guarantee as from the first tariff cycle. Irrevocable, unconditional, on-demand. Covers contractual and anti-corruption obligations. Recomposition required upon partial enforcement.

Financial-economic Equilibrium

Tariff Adjustments

Tariff reviews shall include the K0 Modification Coefficient to achieve the Net Required Revenues (IRN) necessary to maintain financial-economic equilibrium.

Corporate Governance Requirements (Mandatory By-Law Amendments at Closing)

Board ESG Duties: Board must approve and periodically review environmental, social and integrity policies; oversee an Environmental and Social Management System (ESMS); approve a Code of Ethics and anti-corruption policies; publish an annual Sustainability Report.

Ethics, Environmental, Social & Governance Committee (EESG): comprised of three regular directors, meeting at least bimonthly. Responsible for environmental and social policies (water, energy, waste, biodiversity, emissions), ESG risk evaluation, and coordination with the Audit Committee.

Share Restrictions in By-Laws: Lock-up until December 31, 2031; retention of $\geq 51\%$ ownership and State consent required for any controlling block transfer thereafter. Class A shares may only be pledged as security for AySA's own financing.

Tender Process in Brief

Multi-Stage Electronic Process

Fully Electronic: All submissions must be made exclusively through CONTRAT.AR (contratar.gob.ar). Published in the Official Gazette and the World Bank's DGmarket.

Stage 1 (Technical): Evaluation of legal, technical and financial eligibility. The Evaluation Committee issues a non-binding Pre-Selection Report. Bidders may challenge such report within 5 business days (challenge bond: USD 5M).

Stage 2 (Economic): Pre-selected bidders submit sealed economic offers. Highest USD price wins. Opening date set by the Ministry in the Selection Decision.

Bid Bond: Equivalent to USD 25M. Valid for 120 calendar days from Stage 1 opening, automatically renewed in 30-day periods. The guarantee may be enforced upon unauthorized withdrawal.

Joint Bids: Two or more participants may submit a joint bid with joint and several unlimited liability. One participant acts as authorized administrator on CONTRAT.AR and one is designated as Technical Operator.

Data Room: Access available upon request via email to mdeatep@mecon.gov.ar with NDA and CONTRAT.AR credentials. Information preserved for 5 years.

Facility Visits: Optional. Requests must be sent within 30 calendar days of publication to visitasprivatizacion@aysa.com.ar (copy to mdeatep@mecon.gov.ar). Sites include potabilization and wastewater treatment plants across the concession area. Maximum 3 representatives per interested party.

Dispute Resolution (Share Purchase Agreement): Internal negotiation → Dispute Resolution Committee (3 members, 60 days to decide) → ICC Arbitration in Buenos Aires, Spanish, Argentine law.

Key Dates

Event

Date/Deadline

Resolution No. 704/2026 published – Official tender call	→ May 15, 2026
Concession Agreement executed (AySA ↔ State)	→ May 7, 2026
Bidding terms available for download on CONTRAT.AR	→ From May 15, 2026
Data Room access requests (NDA + credentials required)	→ Ongoing until closing
Facility visits request deadline	→ Within 30 calendar days of call
Deadline for queries to the bidding terms and Data Room information	→ August 12, 2026 · 10:00 hs
Bid submission deadline & opening of Stage No. 1	→ August 27, 2026 · 09:59 hs
Stage No. 1 evaluation – Pre-Selection Report	→ Within 10 business days of opening
Challenges to Pre-Selection Report	→ 5 business days from notification
Selection Decision (sets Stage No. 2 date)	→ After challenge period
Stage No. 2 – Economic Offers (pre-selected bidders only)	→ Date set in Selection Act
Award & execution of the Share Purchase Agreement	→ Per administrative schedule

Legal & Regulatory Framework

Applicable Legislation

Law No. 27,742 (“Ley Bases”) · Law No. 23,696 (State Reform Act) · Law No. 26,221 and Regulatory Framework (consolidated text, Decree No. 805/25).

Decree No. 494/25 (privatization authorization) · Decree No. 695/24 · Decree No. 416/25 (CONTRAT.AR).

Resolution No. 543/2026 (Ministry of Economy – Concession Agreement model) · Resolution No. 704/2026 (tender call and approval of bidding terms) · Resolution No. 1198/25 (valuation methodology).

Jurisdiction for bid disputes: Federal Administrative Courts, Buenos Aires. Share Purchase Agreement: internal negotiation → Dispute Resolution Committee → ICC Arbitration (Buenos Aires, Spanish, Argentine law).

How to Participate

Next Steps for Interested Parties

Bidding Terms Access: Download free of charge at CONTRAT.AR (contratar.gob.ar). Registration as an external user in the “Privatizaciones Leyes Nros. 27.742 y 23.696” module required.

Data Room Access: Email mdeatep@mecon.gov.ar with: CONTRAT.AR registration confirmation, power of attorney, NDA (Annex IV to bidding terms), and sworn declaration (Annex VI). Foreign documents require apostille or consular legalization.

Facility Visits: Request to visitasprivatizacion@aysa.com.ar (cc mdeatep@mecon.gov.ar) within 30 calendar days of publication. Max. 3 attendees per bidder.

Queries to the Bidding Terms and Data Room Information: Exclusively through CONTRAT.AR until August 12, 2026. Responses published as Circulars with at least 5 calendar days’ notice before the bid deadline.

For more information, please do not hesitate to contact:



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