ALGONQUIN
Power & Utilities Corp.

First Quarter 2017 Earnings Conference Call

May 12, 2017



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Certain written and oral statements contained in this presentation and discussion are forward-looking within the meaning of certain securities laws and reflect the views of Algonquin Power & Utilities Corp. (the “Company”) with respect to future events, based upon assumptions relating to, among others, the performance of the Company's assets and the business, financial and regulatory climates in which it operates. These forward looking statements include, among others, statements with respect to the expected performance of the Company, its future plans and its dividends to shareholders.

Since forward-looking statements relate to future events and conditions, by their very nature they require us to make assumptions and involve inherent risks and uncertainties. We caution that although we believe our assumptions are reasonable in the circumstances, these risks and uncertainties give rise to the possibility that our actual results may differ materially from the expectations set out in the forward-looking statements. Material risk factors include those presented in the Company’s annual financial results, the annual information form and most recent quarterly commentary. Given these risks, undue reliance should not be placed on forward-looking statements, which apply only as of their dates. Except as required by law, the Company does not intend to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

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The terms “adjusted net earnings”, “adjusted earnings before interest, taxes, depreciation and amortization” (“Adjusted EBITDA”), “adjusted funds from operations”, “per share cash provided by adjusted funds from operations”, “per share cash provided by operating activities”, "net energy sales", and "net utility sales", (together the “Financial Measures”) may be used in this presentation. The Financial Measures are not recognized measures under GAAP. There is no standardized measure of the Financial Measures, consequently APUC’s method of calculating these measures may differ from methods used by other companies and therefore may not be comparable to similar measures presented by other companies. A calculation and analysis of the Financial Measures can be found in APUC’s most recent Management Commentary. Per share cash provided by operating activities is not a substitute measure of performance for earnings per share. Amounts represented by per share cash provided by operating activities do not represent amounts available for distribution to shareholders and should be considered in light of various charges and claims against APUC.

Agenda

➢ **Introductory Remarks**	**Chris Jarratt** *Vice Chairman* *Algonquin Power and Utilities Corp.*
➢ **Q1 2017 Strategic Achievements**	**Ian Robertson** *Chief Executive Officer* *Algonquin Power and Utilities Corp.*
➢ **Q1 2017 Financial Highlights**	**David Bronicheski** *Chief Financial Officer* *Algonquin Power and Utilities Corp.*
➢ **2017 Outlook**	**Ian Robertson** *Chief Executive Officer* *Algonquin Power and Utilities Corp.*

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Q1 2017 Strategic Achievements



Q1 2017 Key Takeaways

Delivered on key growth initiatives

- ✓ **Successful completion of Empire acquisition**
  - **218,000 new water, gas, and electric utility customers**
  - **1,400 MW of regulated electrical power generation**
- ✓ **Commissioned 210 MW net generation capacity**
- ✓ **Over U.S. $13 million in recently completed rate cases**

Financial results reflect material impact of Empire

- ✓ **Adjusted EBITDA[1] - 72% Y-O-Y increase**
- ✓ **Adjusted EPS[1] - 19% Y-O-Y increase**
- ✓ **Asset growth - 94% Y-O-Y increase**
- ✓ **Dividend increase aligned with our 10% growth target**

Focus on our five-year growth plans

- ✓ **Organic investment in utilities system improvements**
- ✓ **Continued progress on portfolio of development projects**
- ✓ **Growth through accretive acquisitions**

1. Please see Disclaimer on Non-GAAP Financial Measures on page 2 of this presentation.

New Generation - Diverse by Location and Modality

In millions of Canadian dollars unless otherwise noted	MW	Annual Production (GWh)	PPA Term (Years)
Deerfield Wind	**150**	**555.2**	**20**
Bakersfield II Solar	**10**	**24.2**	**20**
Luning Solar	**50**	**144.6**	**-**





Deerfield Wind • 150 MW COD: Feb 21, 2017



Bakersfield II Solar • 10 MW COD: Jan 11, 2017



Luning Solar • 50 MW COD: Feb 15, 2017

New facilities demonstrate the capabilities of our Development Group, and collaboration across our business groups

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Q1 2017 Financial Performance



Financial Performance

In millions of Canadian dollars or on a per share basis unless otherwise noted (Unaudited)	Quarter ended March 31		
	2017	2016	Change
Adjusted EBITDA[1]	**254.8**	147.9	**72%**
Adjusted net earnings[1]	**88.1**	56.1	**57%**
Per share	**0.25**	0.21	**19%**
AFFO[1]	**208.9**	121.8	**72%**
Revenue	**557.9**	341.7	**63%**
Dividend per share	**0.15**	0.13	**15%**

- ✓ **Q1 financial results reflect the material impact of Empire**
- ✓ **Organic growth an important factor –**
  - **New projects contributed $99.9 million of incremental EBITDA**
  - **Full impact of rate cases added a further $11.8 million**

1. Please see Disclaimer on Non-GAAP Financial Measures on page 2 of this presentation.

Key Financing Accomplishments

Empire Close and Debenture Conversion

- ✓ Received Final Instalment of C$1.15 B convertible debentures
- ✓ 99.6% of convertible debentures now converted to equity
- ✓ All existing Empire debt assumed on existing terms

U.S. $750 million Liberty Utilities Notes Financing

- ✓ Agreement with a broad syndicate of U.S. institutions for issuance of senior unsecured notes
- ✓ Weighted average life of 15 years and effective interest rate of 3.6% inclusive of interest rate hedges
- ✓ Closing of notes occurred on March 24, 2017

$300 million Liberty Power Bond Offering

- ✓ Senior unsecured debentures issued to a broad syndicate of Canadian institutional investors
- ✓ Bond maturity 10 years, coupon 4.09%
- ✓ Offering completed on January 17, 2017

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2017 Outlook



Focus on 2017 Capital Plan, Long-term Growth Initiatives

❑ Deliver our 2017 capital programs on-time and on-budget

Liberty Power Group	CDN $millions
Capital Project Investments	$540
Fleet Maintenance	$45
Liberty Utilities Group	
Rate Base Investments	$450
Rate Base Maintenance	$165
Total	**$1,200**

❑ Liberty Power – Expand the renewable energy growth opportunity set

- ***201 MW of Development:*** Blue Hill Wind (177 MW) and Val Eo Wind (24 MW)
- ***Safe Harbor Strategy:*** Up to 700 MW of new wind development potential

❑ Within Liberty Utilities – focus on new investment and earned ROE

- Multiple capital programs underway, including Greening the Empire power fleet
- Focus on reducing gap between authorized and earned ROE throughout LU
- U.S.$35.6 million in pending rate cases across 7 jurisdictions in next 12 months

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Q & A



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Appendix



Rate Cases

Utility	State	Regulatory Proceeding Type	Rate Request (US$M)	Current Status
Completed				
Granite State Electric System	NH	General Rate Case	$7.7	Final Order issued in April 2017 approving a U.S. $6.25 million rate increase effective May 1, 2017, and two additional annual increases of U.S. $0.2 million to U.S. $0.3 million effective May 1, 2018 and May 1, 2019.
New England Gas System	MA	Gas System Enhancement Plan	$3.8	Final Order issued in April 2017 approving a U.S. $3.0 million rate increase effective May 1, 2017.
Peach State Gas System	GA	Gas Rate Adjustment Mechanism	$0.7	Final Order issued in February 2017 approving a U.S. $0.7 million rate increase effective February 1, 2017.
Entrada Del Oro	AZ	General Rate Case	$0.3	Final Order issued in March 2017 approving a U.S. $0.2 million rate increase effective April 1, 2017.
Iowa Gas System	IA	General Rate Case	$1.1	Final Order issued in April 2017 approving a U.S. $0.98 million rate increase effective July 1, 2017.
Pending				
EnergyNorth Gas System	NH	General Rate Case	$19.9	Application filed April 2017 / Final rate decision expected July 1, 2017
Litchfield Park Water & Sewer	AZ	General Rate Case	$5.1	Application filed February 2017 / Final rate decision expected Q1 2018
CalPeco Electric	CA	Turquoise Solar Project	$3.5	Application filed December 2016 / Final rate decision expected October 2017
Illinois Gas System	IL	General Rate Case	$3.0	Final hearing concluded in March 2017 approving a U.S. $2.2 million rate increase for rates effective July 1, 2017. Order is expected to be issued in June 2017.
Oklahoma Electricity System	OK	General Rate Case	$3.0	Application filed December 2016 / Final rate decision expected July 2017
Woodmark/Tall Timbers Water & Wastewater Systems	TX	General Rate Case	$2.0	Application filed September 2016 / Final rate decision expected Q4 2017
Kansas Asbury Environmental and Riverton Cost Recovery ("AERR") Rider	KS	Rate Rider Recovery	$1.9	Application filed January 2017 / Final rate decision expected September 2017
New England Gas	MA	Decoupling Filing	$0.2	Application filed February 2017 / Final rate decision expected May 2017
Completed / Pending Rate Cases			**$52.2 Million**	

Liberty Power Group Growth Initiatives

Total Project in Construction	Location	Size (MW)	Estimated Capital Cost (millions)	Commercial Operation Date	PPA Term	Production GW-hrs
Amherst Island Wind Project	Ontario	75	$295	2018	20	235
Great Bay Solar Project[1]	Maryland	75	$193	2017	10	146
Total Projects in Construction		**150**	**$488**			**381**
Projects in Development						
Blue Hill Wind Project	Saskatchewan	177	$345	2019/20	25	813
Val-Eo Wind Project	Quebec	24	$65	2018	20	66
Total Projects in Development		**201**	**$410**			**879**
Total in Construction and Development		**351**	**$898**			**1,260**

150 MW
In Construction

201 MW
In Development

160 MW
Commissioned in
Q1 2017

22 years
Weighted Average
PPA Length

1. Total cost of the project is expected to be approximately $145 million in U.S. dollars.

CORPORATE INFORMATION

Head Office	Oakville, ON
Common Share Symbol	TSX and NYSE: AQN
Preferred Share Symbols	AQN.PR.A, AQN.PR.D
Shares Outstanding*	385,619,124
Dividend	U.S. $0.4659 per share annually
Price*	$13.19
Market Capitalization	$5.1 Billion

* Shares outstanding and closing price (TSX) as of May 11, 2017

CONTACT INFORMATION

Ian Robertson
Chief Executive Officer
905-465-4510

David Bronicheski
Chief Financial Officer
905-465-4512

Ian Tharp
Vice President, Investor Relations
905-465-6770

@AQN_Utilities

