ALGONQUIN
Power & Utilities Corp.

Investor Presentation



2017 TD Power & Utilities Conference

June 1st, 2017 | Toronto, ON

FORWARD-LOOKING STATEMENTS DISCLAIMER

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.

NON-GAAP FINANCIAL MEASURES DISCLAIMER

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.

Overview – Algonquin Power & Utilities Corp.

Clean Electric Power

Renewable power – high quality assets support earnings growth

- Since 1988
- Diversified energy markets
- 25% of 2017 EBITDA
- 30% Canada / 70% U.S.
- C$3.1 B in net power assets
  - Net generation capacity of 1.5 GW
  - Long term contracted off-take
- C$2.0 B investment potential over the next five years

Regulated Electric, Gas and Water Utility

North American generation, transmission and distribution utility – predictable earnings growth

- Since 2001
- Diversified state regulation
- 75% of 2017 EBITDA
- 100% U.S.-based
- US$7.1 B in utility assets
- US$3.0 B investment potential over the next five years

Distribution

- Electricity, natural gas and water distribution
- 780,000 customers
  - 263,000 electric
  - 335,000 gas
  - 182,000 water

Generation

- Net generation capacity over 1.4 GW
- Focus on growing percentage of renewable energy in fleet

Transmission

- 1,200 miles of electric transmission
- 100 miles of natural gas transmission

Our Strategic Objective and Financial Expectations

Strategic Objective

To be a top quartile North American integrated utility as measured by:

Safety ♦ Customer Experience ♦ Employee Engagement

Financial Performance ♦ Commitment to Renewable Energy

Financial Goals

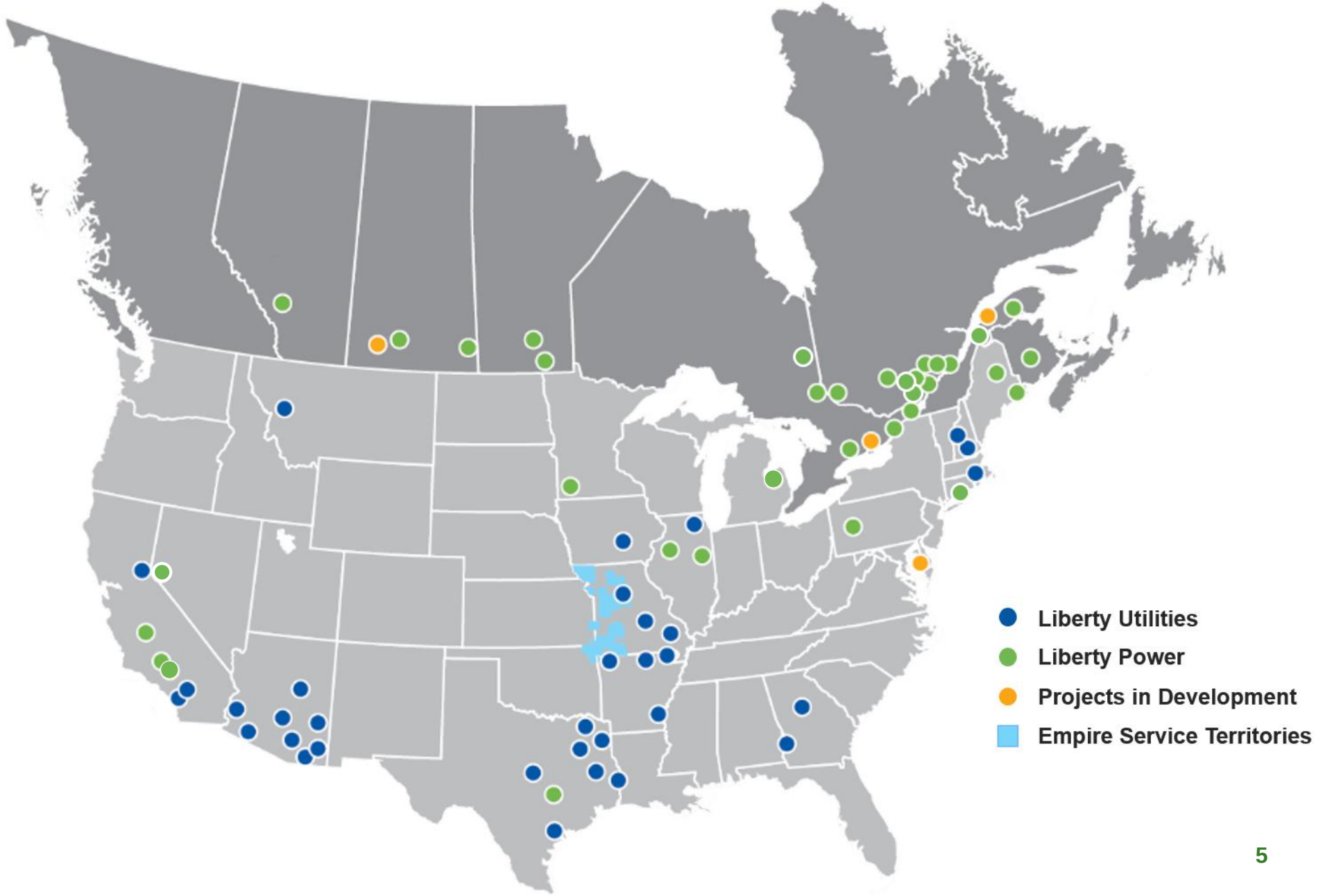
Assets and EBITDA growth	EPS and FFOPS	Dividend growth
>15% CAGR	>10% CAGR	10% CAGR

Avenues for Growth

Regulated Utilities	Acquisitions	Canada	Diversified Modalities
Contracted Power Generation	Organic Growth	United States	Local Expansion

Numerous strategies available to ensure predictable, sustainable growth over the short, medium and long-term

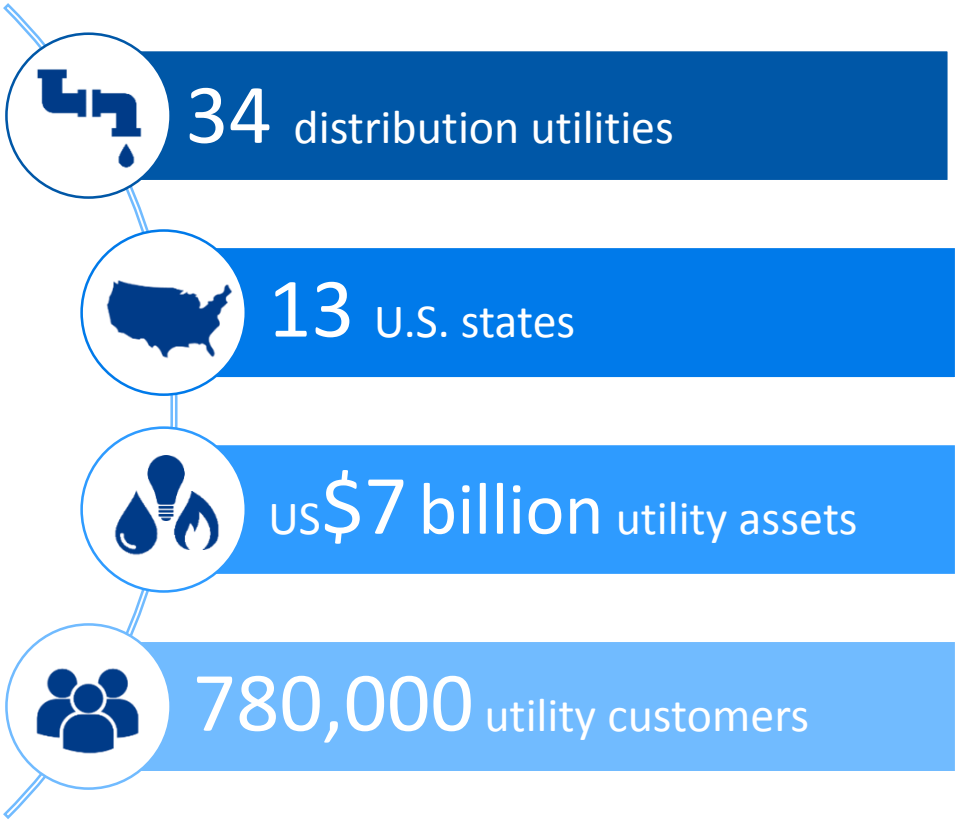
North American Focus with Geographic Diversity



Liberty Utilities Offers Predictable Earnings and Growth

REGULATED UTILITY PORTFOLIO

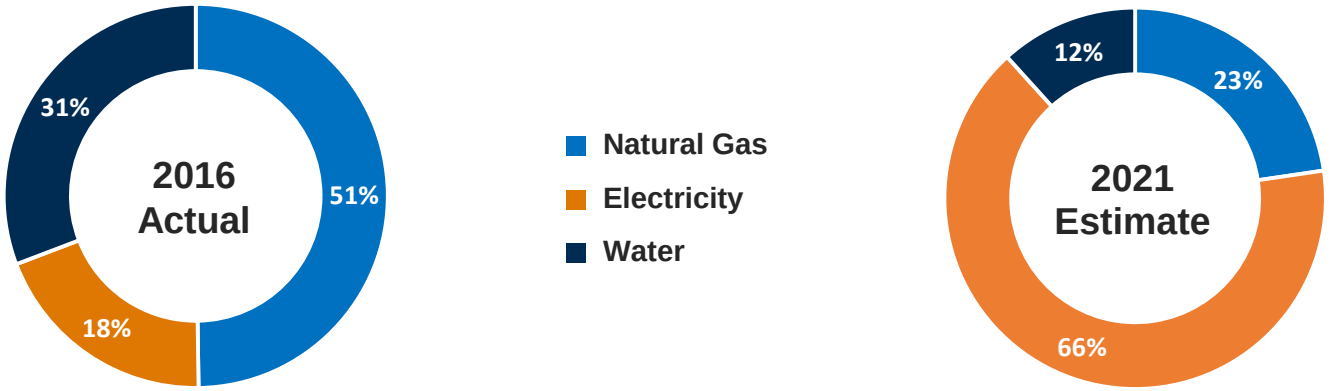
- Stable, predictable earnings, strong cash flow, and return protection
- Diverse portfolio of natural gas, electricity and water distribution utility systems
- Excellent track record of growth
  - Investment in our existing systems
  - Accretive acquisitions in supportive regulatory environments
- Regulated ROEs 9% - 10%



Growth through diversified regulated utility acquisitions, organic investments and rate cases

Liberty Utilities - US$3 B Investment Potential

Regulated Business Mix - EBITDA

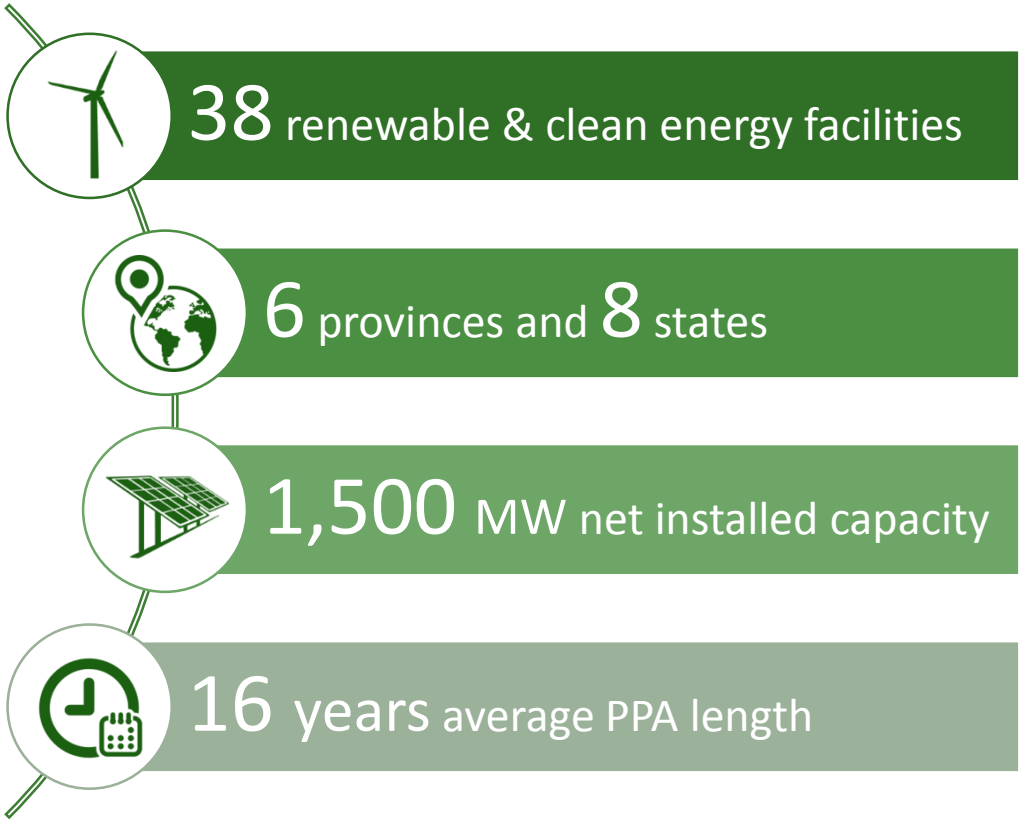


	Investment Opportunities	EBITDA Impact	Acquisitions and CapEx
2017	Empire District Electric Company acquisition	~US$250 – 270 M	US$2.4 B acquisition Significant growth focus on renewable energy
2017	Organic investment in system improvements, customer growth	~US$20 M	Pipeline replacement, Luning Solar, reliability improvements
2018 – 2021	Organic investment in system improvements, customer growth	New rate requests expected in each of our electric, gas, and water utilities	**Pursuit of accretive acquisitions** that are complementary to Liberty's existing base ~US$2.4 B in incremental CapEx to 2021

Liberty Power - Stable Fleet, Strong Growth Potential

RENEWABLE ENERGY PORTFOLIO

- Attractive returns and strong cash flow from renewable and clean energy generation sourced from water, wind, solar, and natural gas
- 88% of generation under long term power purchase contracts with inflation escalators
- Diverse generating fleet by both modality and geography provides stability to production profile
- Target unlevered after-tax IRR of greater than 8%



Renewable power generation providing attractive, growing returns

Liberty Power - C$900 M Commercially Secured

360 MW recently completed:

- ☑ **200 MW Odell Wind Project in Minnesota**
  - 20 year PPA with Xcel Energy subsidiary / COD in July 2016
- ☑ **10 MW Bakersfield II Solar Facility Expansion in California**
  - 20 year PPA with California electric utility / COD in January 2017
- ☑ **150 MW Deerfield Wind Project in Michigan**
  - 20 year PPA with Michigan electric utility / COD in February 2017

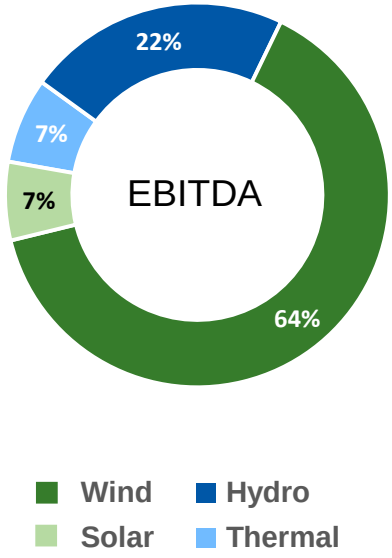
150 MW under construction - C$490 M capital cost

- ❑ **75 MW Great Bay Solar Project in Maryland**
  - 10 year PPA with U.S. Government / COD expected in 2017
- ❑ **75 MW Amherst Island Wind Project in Ontario**
  - 20 year PPA with OPA / COD expected in 2018

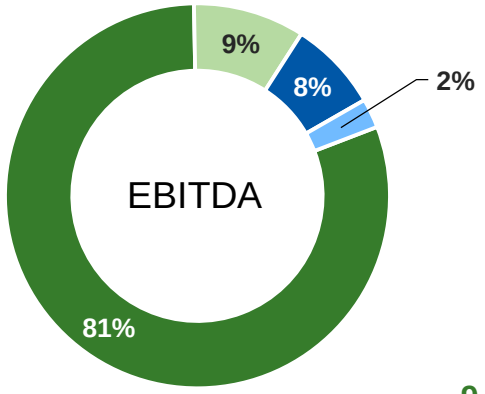
201 MW under development - C$410 M capital cost

- ❑ **24 MW Val-Éo Wind Project in Quebec**
  - 20 year PPA with Hydro Quebec, community partnership / COD expected in 2018
- ❑ **177 MW Chaplin-Blue Hill Wind Project in Saskatchewan**
  - 25 year PPA with SaskPower / COD expected in 2019/2020

2016 Renewable Energy Mix

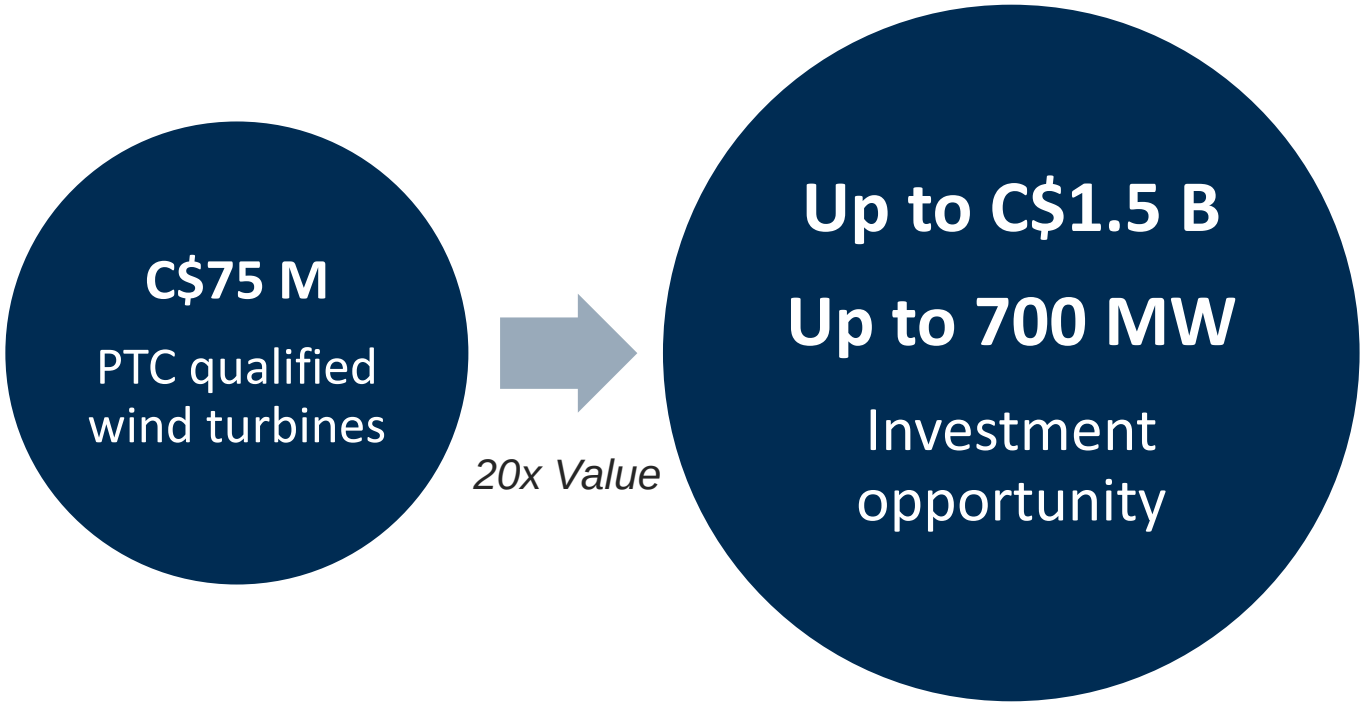


2021 Renewable Energy Mix



Safe Harbor Strategy - C$1.5 B Investment Potential

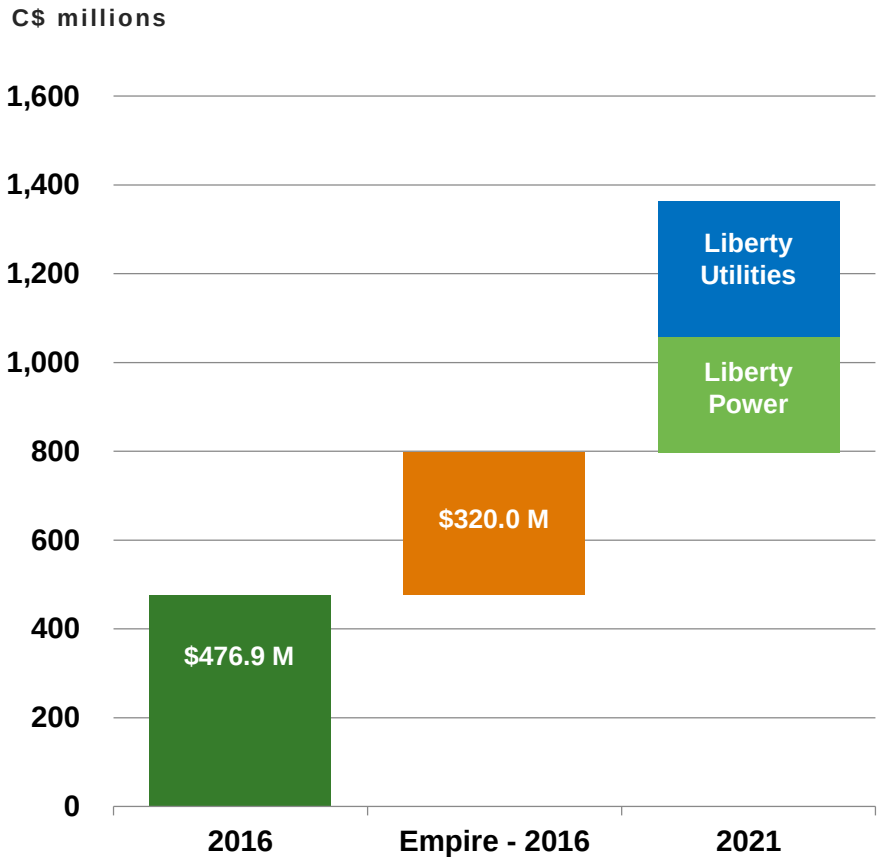
- Safe Harbor strategy secures 2016 PTC rates for future wind development
- Four-year development window
- Opportunity exists to deploy Safe Harbor turbines within both our Liberty Utilities and Liberty Power business groups



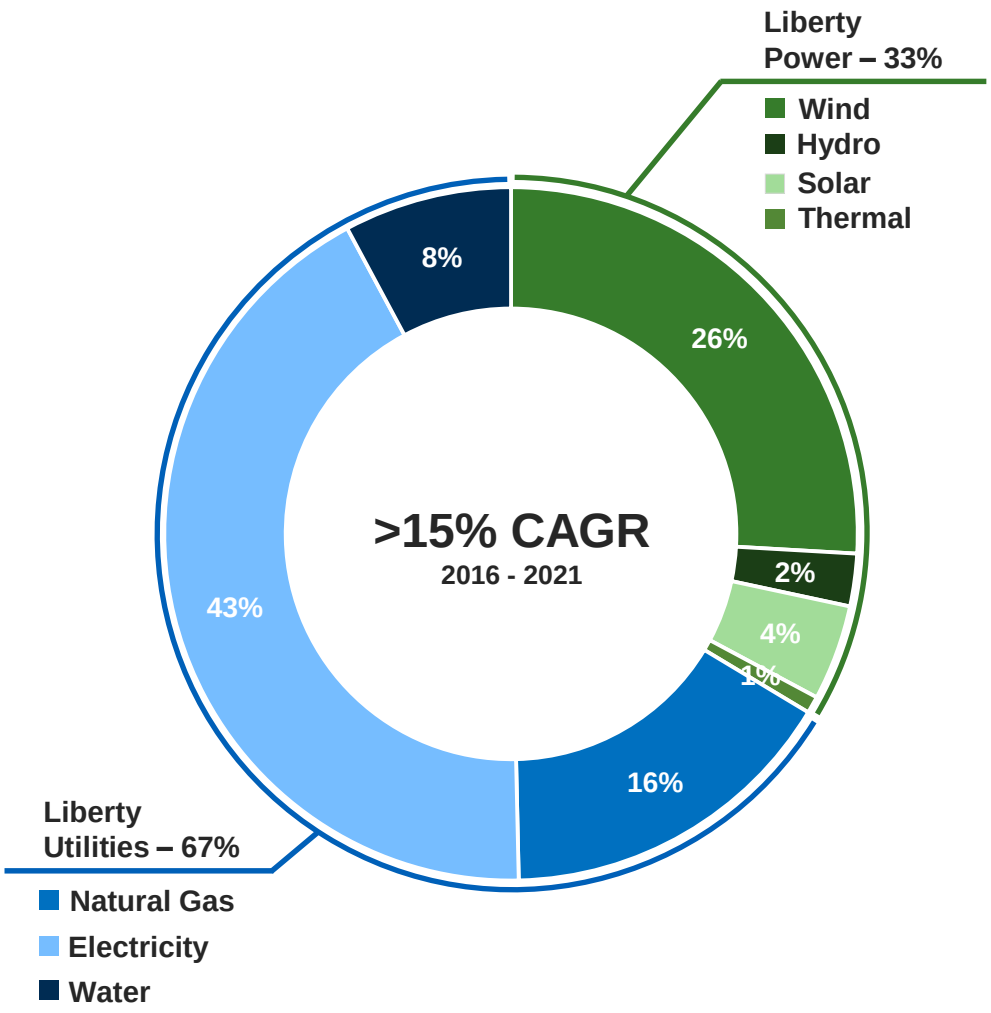
Locks in 100% PTC value for four years

Evolution of Our Results Up to 2021

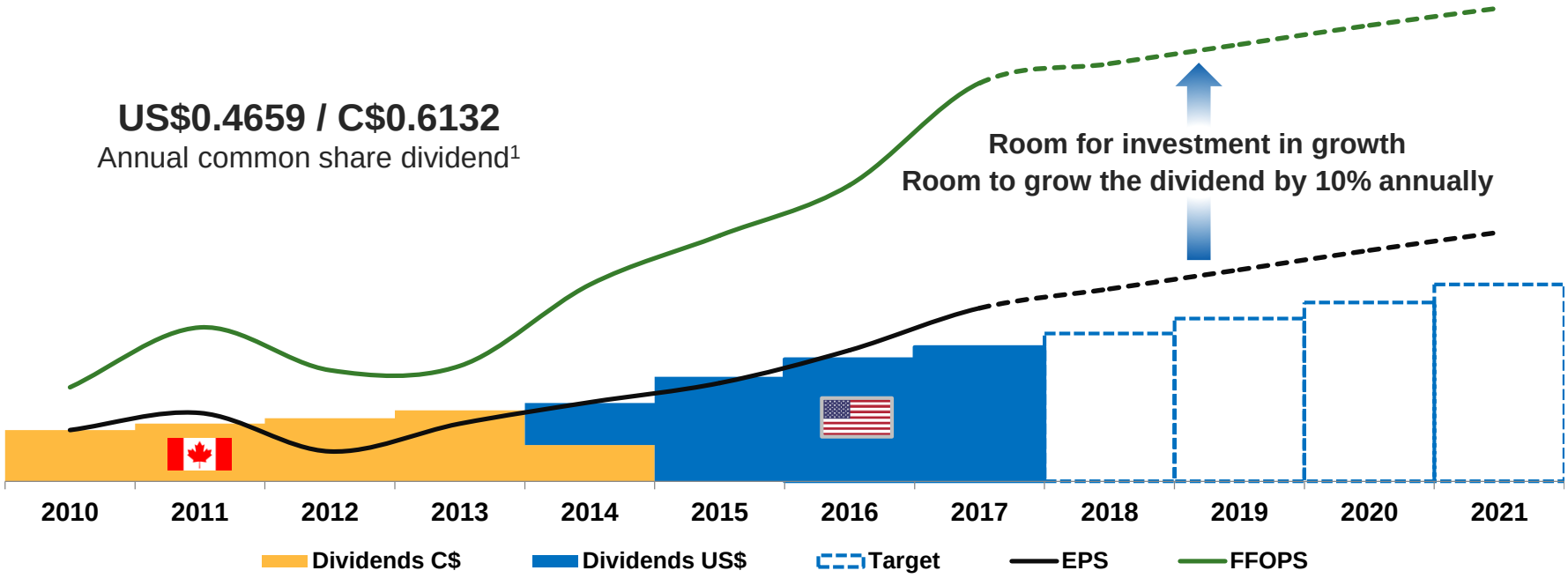
EBITDA Walk



2021 Projected EBITDA split



Long-Term Growth Supports Sustainable Dividend



Robust growth model

- Earnings/cash flow growth supports targeted dividend increase of 10% per year
- AQN is part of the S&P/TSX Canadian Dividend Aristocrats Index
- AQN listed on NYSE, improves access to US capital markets

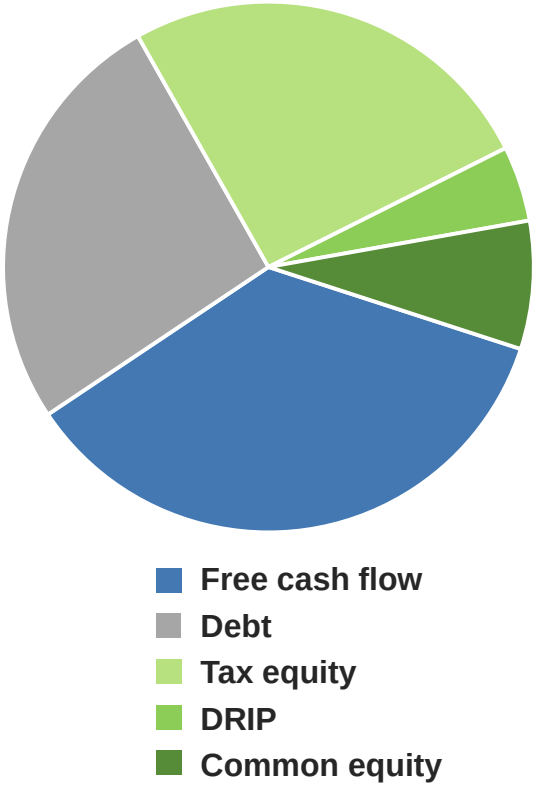
Diversified, conservative business platform

- Long term investment grade BBB fixed rate debt financing
- Large proportion of earnings from regulated utility operations
- Reduced commodity price exposure through inflation indexed long term PPAs

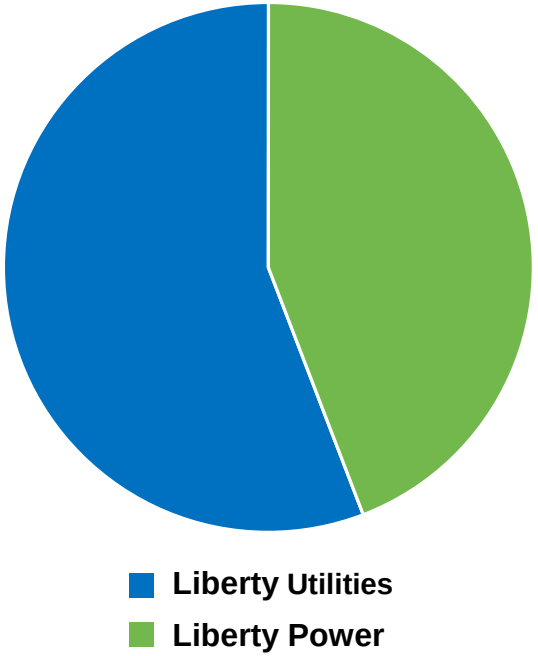
1. Reflects 10% dividend increase declared January 16, 2017. Dividend declared in USD. CAD equivalent based on exchange rate on declaration date of the Q1 2017 dividend.

2017 – 2021 C$6.3 B Capital Program

Sources of Capital



Uses of Capital



- C$6.3 B pipeline of investment opportunities
- High degree of financial flexibility to execute on growth plans
  - Relatively low payout ratio provides significant internally generated cash flows
  - DRIP program and tax equity provide additional sources of capital
  - Equity rich capital structure allows for additional leverage

Focus for 2017

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

Liberty Power Group	CDN $millions
Capital Project Investments	$500 - $580
Fleet Maintenance	$40 – 50
Liberty Utilities Group	
Rate Base Investments	$400 - $500
Rate Base Maintenance	$160 - $170
Total	**$1,100 - $1,300**

❑ Liberty Power – Expand the renewable energy growth opportunity set

- ***150 MW of Development:*** Great Bay Solar (75 MW) and Amherst Island Wind (75 MW)
- ***Recently Commissioned:*** Deerfield Wind (150 MW) and Bakersfield II Solar (10 MW)

❑ 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 seven jurisdictions in next 12 months
- Recently commissioned Luning Solar (50 MW)

Strong Track Record of Performance

Delivered Solid Results in Q1

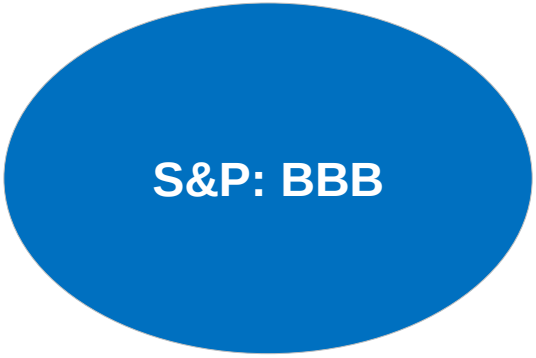
- Commissioned 210 MW of net generation capacity
- Over U.S. $13 million in recently completed rate cases
- Successful completion and integration of Empire acquisition
  - 218,000 new water, gas, and electric utility customers
  - 1,400 MW of regulated electrical power generation

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[2]	**0.15**	0.13	**15%**

1. Please see Disclaimer on Non-GAAP Financial Measures on slide 2 of this presentation.
2. APUC has paid a U.S. dollar denominated dividend since 2014. Amounts shown are based on the Bank of Canada exchange rate the day before the declaration date. On January 16, 2017, AQN declared 10% dividend increase to US$0.4659 per common share annually, paid quarterly at a rate of US$0.1165.

Investment Grade Capital Structure

C$ millions	March 31, 2017	
Long term debt	4,768.4	56.8%
Preferred shares	213.8	2.5%
Convertible Debentures	5.2	0.1%
Common equity	3,406.7	40.6%
Total capitalization	8,394.1	100.0%



Strong Access to Capital Beyond the Equity Markets

Liberty Power Bond Platform

- Canadian public style bond platform
- C$785 M senior unsecured bonds issued
- January 2017 issued C$300 M, 4.1%, 10 yrs

Liberty Utilities Bond Platform

- U.S. private placement market
- US$1,275 M senior unsecured bonds issued
- March 2017 issued US$750 M, 3.6%, 15 yrs[1]

Unsecured Bank Lines Enhance Liquidity

- C$65 M bank APUC credit facility
- C$350 M Liberty Power bank credit facility
- US$200 M Liberty Utilities bank credit facility

Tax Equity

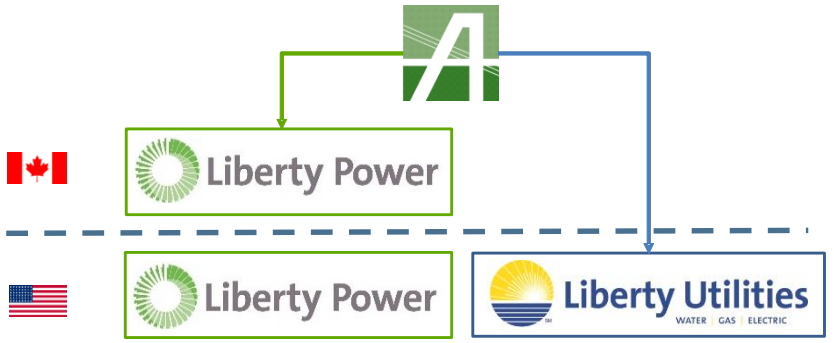
- Significant tax equity experience for U.S.-based renewables projects

1. Weighted average rate and tenor, inclusive of interest rate hedges.

Favourable Tax Positioning

Efficient corporate tax structure

- Maximum flexibility for cross border tax planning
- Maximum flexibility between regulated and non-regulated businesses



C$3.5 B of tax attributes available

- APUC expects to begin paying cash taxes in 2019/2020

Algonquin Power & Utilities Corp. (C$ millions)		
Non-capital losses		**$232**
	Liberty Power	**Liberty Utilities**
Non-capital losses	$568	$407
PP&E tax shelter	$362	$1,962
	$930	**$2,369**

Risk Management

USD debt matched to USD assets to manage Foreign Exchange exposure[1]

	EBITDA	Assets	Debt
CAD	7%	7%	4%
USD	93%	93%	96%

Resource fluctuation managed through diversification

- 10-year avg. production of >98% of forecast production targets
- Statistically predictable natural resources drive electricity production
- Production targets are based on long-term average wind, hydrology, and solar resources

Other risk exposures actively managed to ensure stability of cash flows over the long term

- Minimal counterparty risk
- Minimal refinancing risk
- Minimal floating rate debt risk
- Minimal commodity risk

1. Proportions set as of March 31, 2017

Algonquin Power & Utilities Corp.: Why Invest?

Earnings & Cash Flows

- Long-term contracted cash flows and regulated utility earnings
- Significant forecast growth from commercially secured pipeline

Dividend Growth

- Annual dividend increases for seven consecutive years
- Targeting 10% increase annually

Development Program

- Line-of-sight on ~C$6.3 B[1] of growth over next five years
- Maintaining business and technology mix

Risk Management

- Investment grade capital structure
- Dedicated Enterprise Risk Management and Internal Audit functions

Management Team

- Over 25 years of experience in power generation development and utility expertise
- Entrepreneurial roots

1. Growth capital as outlined at APUC 2016 Investor Day.

Algonquin Power & Utilities Corp.

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CORPORATE INFORMATION

Head Office	Oakville, ON
Common Share Symbol	TSX and NYSE: AQN
Preferred Share Symbols	AQN.PR.A, AQN.PR.D
Shares Outstanding*	385,623,221
Dividend	U.S. $0.4659 per share annually
Price*	$13.77
Market Capitalization	$5.3 Billion

* Shares outstanding as of May 18, 2017 and closing price (TSX) as of May 30, 2017



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