ALGONQUIN
Power & Utilities Corp.



Investor Presentation

Scotiabank Energy Infrastructure Conference
November 16, 2017

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 2017e 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

AAGES Joint Venture

- International infrastructure development
- US$800 M initial investment potential

Atlantica[1] – 25% equity stake

- Acquired US$608 M equity interest
- Operating international infrastructure
- US$800 M initial investment potential

Regulated Electric, Gas and Water Utility

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

- Since 2001
- Diversified state regulation
- 75% of 2017e 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
- 758,000 customers
  - 264,000 electric
  - 335,000 gas
  - 159,000 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

1. Transactions related to the Atlantica Yield acquisition and AAGES JV are expected to close in Q1, 2018.

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

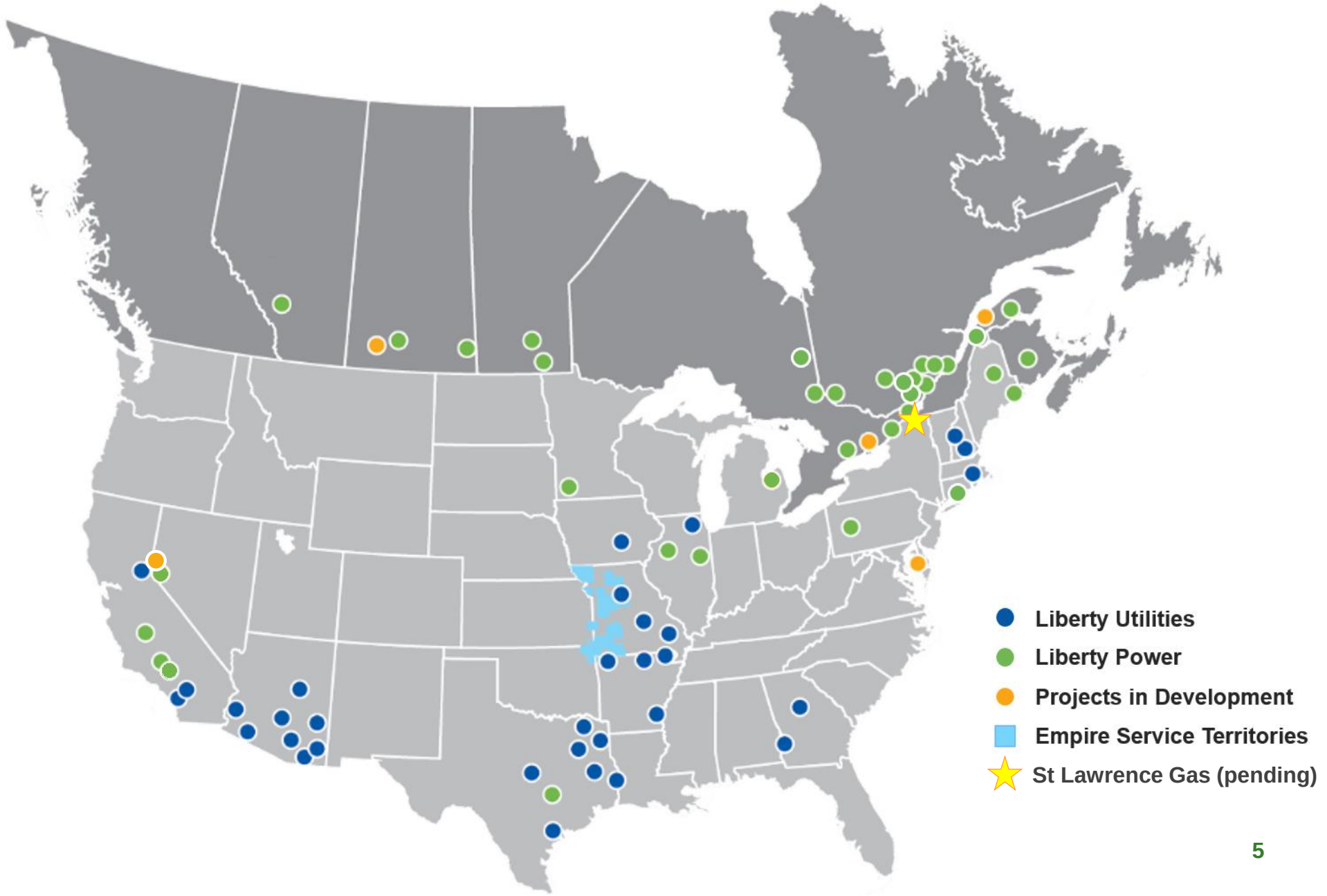
Assets and EBITDA growth	EPS and FFOPS	Dividend growth
>15% CAGR	>10% CAGR	10% CAGR

Avenues for Growth

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

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

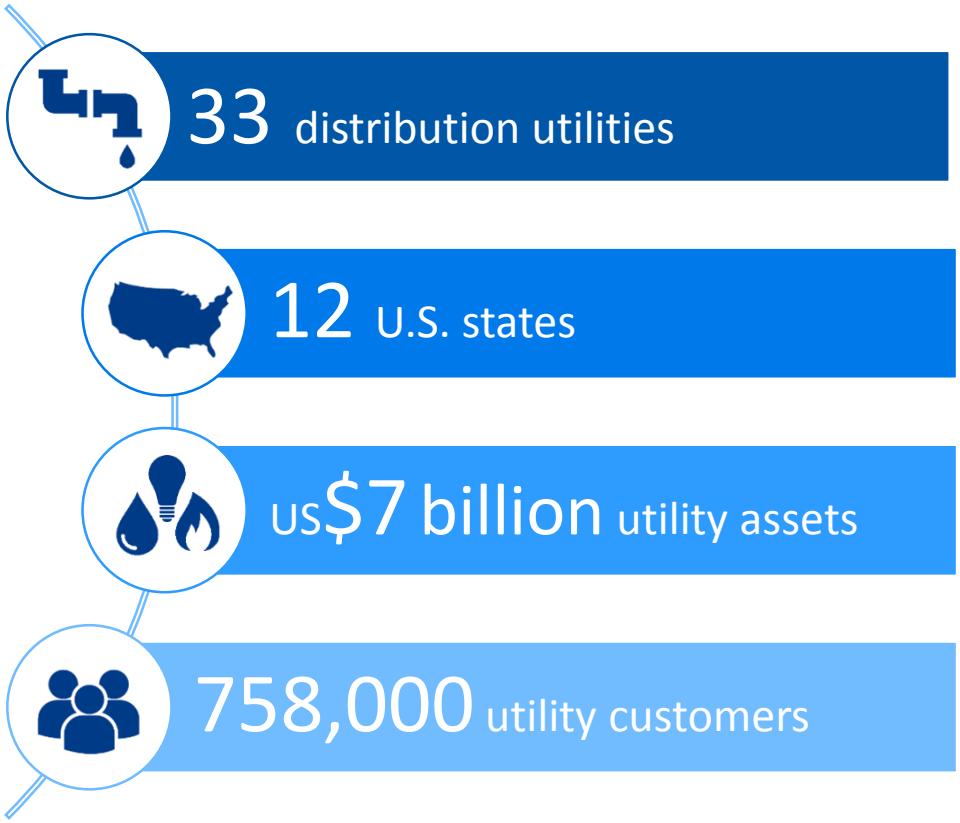
North American Focus with Geographic Diversity



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%
  - Multiple rate cases filed annually smooths out revenue growth profile



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

Liberty Utilities - US$3 B Investment Potential

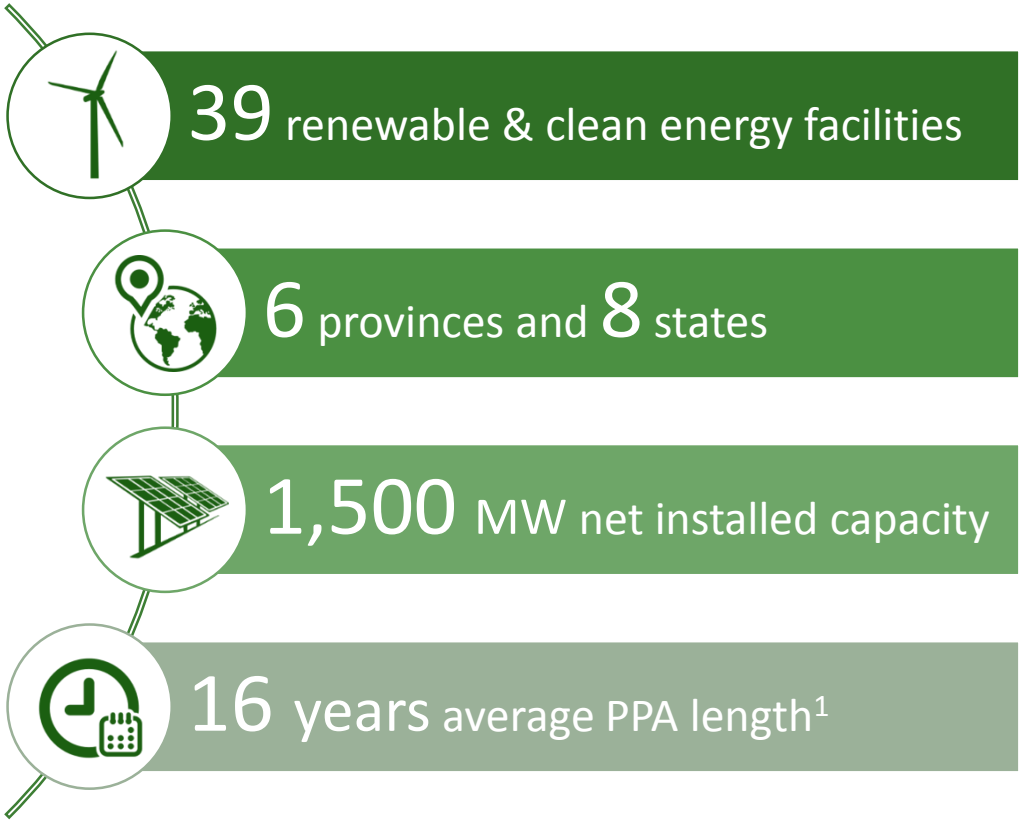


	Investment Opportunities	EBITDA Impact	Acquisitions and CapEx
2017	Empire District Electric Company acquisition	~US$250 – 270 M	US$2.4 B acquisition completed Jan. 1 /'17 Significant growth focus on renewable energy
2017	Organic investment in system improvements, customer growth	~$22 M in rate increases expected to be secured in 2017	2017 CapEx: C$560 M to $670 M Pipeline replacement, Luning Solar, reliability improvements
2018 – 2021	Organic investment in system improvements, customer growth	New rate requests expected for all of our electric, gas, and water utilities	Pursuit of accretive acquisitions: • St. Lawrence Gas - US$70M/16,000 customers Organic capex including 'greening the fleet': • ~US$2.4 B through 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 stable production profile
- Targeting unlevered after-tax IRRs of greater than 8%



Renewable power generation provides attractive, growing returns

1. Production-weighted average as at Q3, 2017.

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

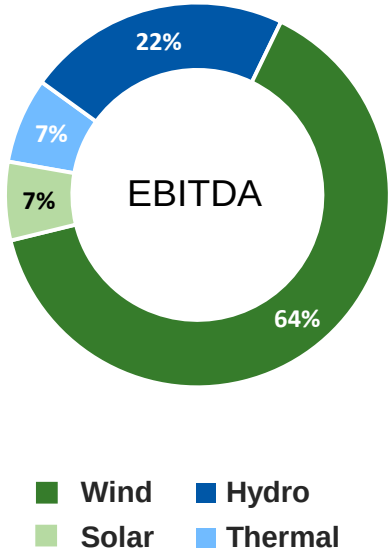
150 MW under construction - C$458 - 512 M capital cost

- ❑ **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

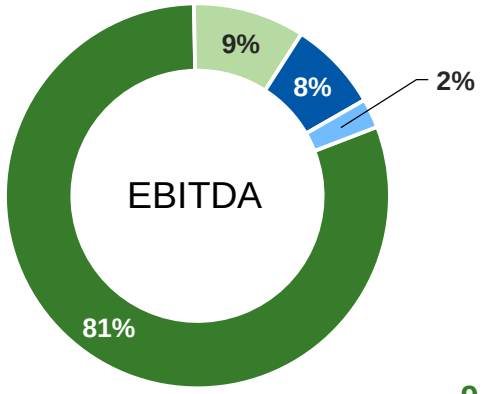
211 MW under development - C$400 - 451 M capital cost

- ❑ **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
- ❑ **10 MW Turquoise Solar Project in Nevada**
  - To be included in CalPeco rate base / COD expected in 2018

2016 Renewable Energy Mix



2021 Renewable Energy Mix



Atlantica Yield and AAGES: A Win-Win-Win Strategic Alliance

The Atlantica Investment and AAGES Joint Venture[1] are key first steps in APUC's measured expansion into global infrastructure development

ALGONQUIN Power & Utilities Corp.

- Provides a measured approach for international development
- Benefits from Abengoa's international presence and existing project pipeline
- Atlantica investment is immediately accretive on key financial and non-financial metrics

ABENGOA

- Key step in Abengoa's back-to-basics strategy - EPC and O&M services provider
- Maximization of proceeds on sale of Atlantica Yield
- Preserves value in existing development opportunity pipeline

Abengoa - Algonquin
Global Energy Solutions

Atlantica Yield

- Strengthens growth profile through accelerated project drop-downs and new ROFO agreements
- Algonquin as a important new sponsor, adding to future growth and capital
- Algonquin to be the preferred equity investor for additional opportunities

1. Transactions related to the Atlantica Yield acquisition and AAGES JV are expected to close in Q1, 2018.

Atlantica Yield and AAGES: Transaction Overview

A measured and risk-managed strategic first step into key global markets with a proven and experienced partner

AAGES Joint Venture[1]

ABENGOA

ALGONQUIN Power & Utilities Corp.

50:50 Joint Venture

Abengoa - Algonquin *Global Energy Solutions*

AA Global Energy Solutions ("AAGES") joint venture

- **Global development platform** for clean energy and water infrastructure
- **Measured approach** to international development for APUC
- **Provides strategic entry point** into new international markets as well as new modalities (energy storage, desalination, concentrating solar)
- **Strongly aligned** with APUC's criteria for viable global investment
- **Near-term opportunity** for involvement of AAGES in existing construction projects

Atlantica Investment[1]

Atlantica Yield

25% equity interest

Strategic investment in Atlantica Yield

- **Acquired** US$608 M 25% interest in Atlantica from Abengoa
- **Attractively-priced** portfolio of contracted, international operating assets
- **Provides** drop-down 'home' for projects developed by AAGES
- **Near-term growth** through investment of 'trapped' cash
- **Future potential** through pre-emptive capital investment right
- **Capital appreciation** expected with clearing of sponsor uncertainty

1. Transactions related to the Atlantica Yield acquisition and AAGES JV are expected to close in Q1, 2018.

Greening the Fleet Strategy - US$1.1 B investment potential

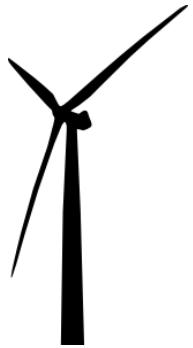
Fleet Greening, Grid Improvements Offer Capital Investment Opportunities

- **Dramatic decline in cost of renewables spurring growth**
  - Favorable economics for renewable power create optimal conditions for renewal of generating fleet while maintaining customer rates
  - $75 B investment in safe harbor turbines enables $1.5 B in wind development
- **Leverage APUC skillset**
  - Experienced renewable energy development team supports “fleet greening” efforts within Empire
- **Comprehensive regulatory proposal under development – “Empire 2.0”**
  - Updated Resource Plan filed with the Missouri PSC in late October
  - Proposal to include up to 800 MW of new renewables, US$1.1 - 1.4 B of rate base investment



Coal (variable cost):
US$28 – 35 per MWh

Wind (all-in cost[1]):
US$18 – 28 per MWh

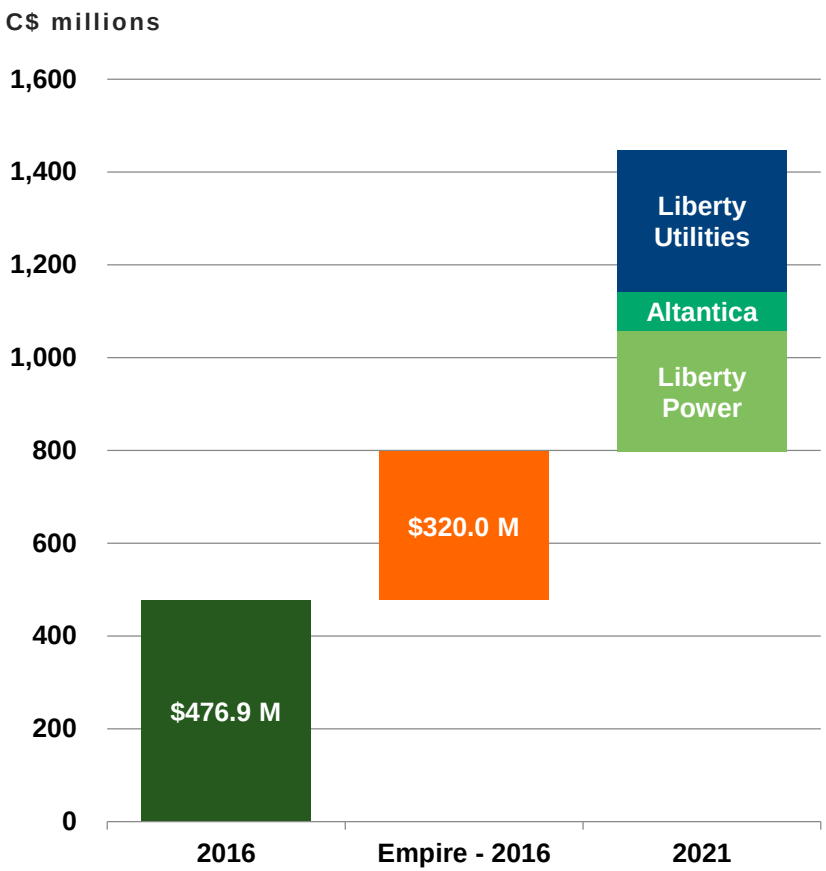


Favorable all-in cost of renewables against variable cost of coal accelerating the shift away from coal

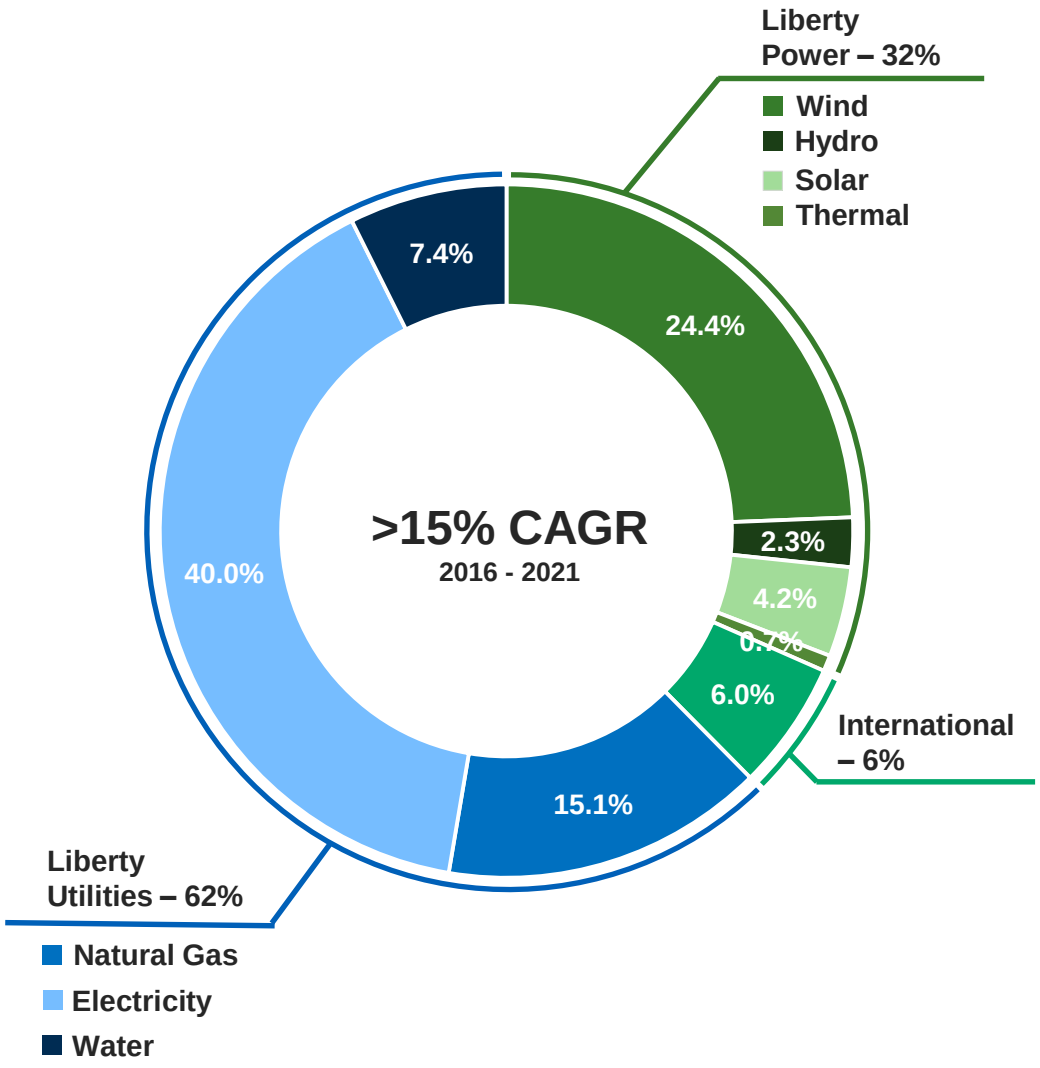
1. Located in Mid-west U.S., safe harbor for 100% PTCs.

Evolution of Our Results Up to 2021

EBITDA Walk[1]

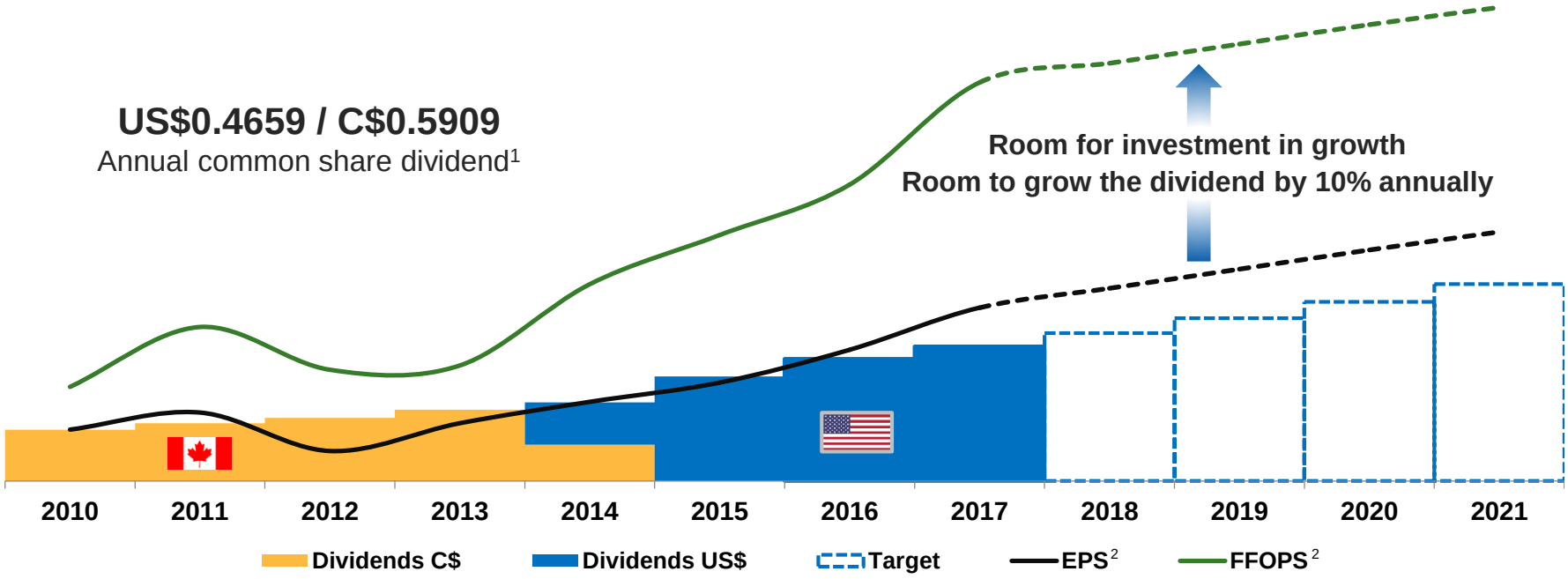


2021 Projected EBITDA split[1]



1. Charts include the pending Atlantica Yield acquisition and AAGES JV, which are expected to close in Q1, 2018.

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's listing on NYSE improves access to US capital markets

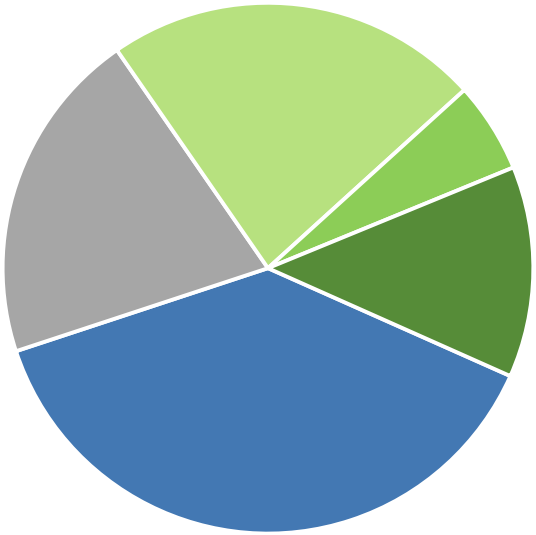
Diversified, conservative business platform

- 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

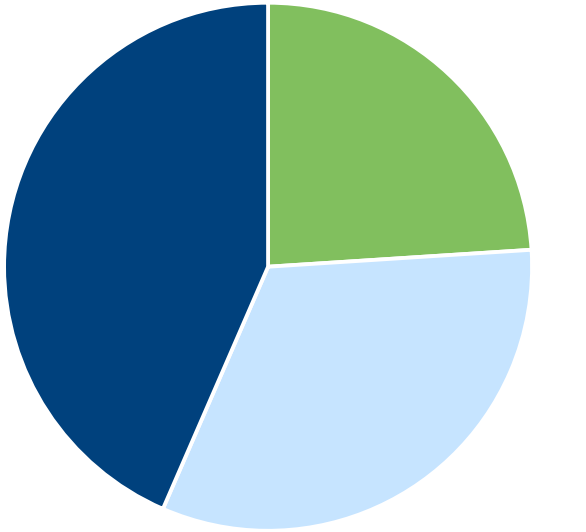
1. Dividend declared in USD. CAD equivalent based on exchange rate on the day before the declaration date of the Q4, 2017 dividend.
2. Does not include the pending Atlantica Yield or AAGES transactions, which are expected to close in Q1, 2018.

Robust Capital Program

Sources of Capital[1]



Uses of Capital[1]



- C$6 B pipeline[1] of investment opportunities for execution within 2017 - 2021 timeframe
- 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

1. Charts and investment amount do not include the pending Atlantica Yield acquisition and AAGES JV, which are expected to close in Q1, 2018.

Financial Performance Reflects Growth Initiatives

Delivered Solid Results to date in 2017

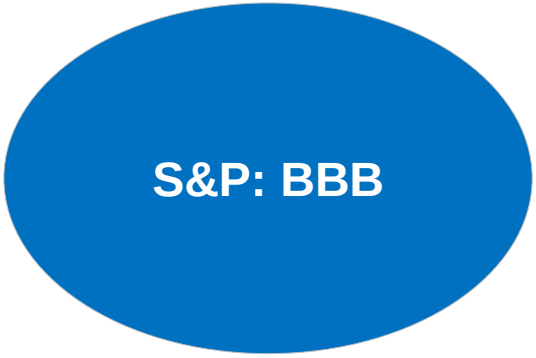
- Formation of AAGES JV and Atlantica Investment[1]
- Empire acquisition: Successful completion and integration
  - 218,000 new water, gas, and electric utility customers
  - 1,400 MW of regulated electrical power generation
- St. Lawrence Gas acquisition in New York – 16,000 customers
- Acquisition of City of Perris Water System – 4,000 customers
- Commissioned 210 MW of net generation capacity (LP – 160 MW, LU – 50 MW)

In millions of Canadian dollars or on a per share basis unless otherwise noted (Unaudited)	Quarter ended Sept 30			Year-to-date (Q1, Q2, Q3)		
	2017	2016	Change	2017	2016	Change
Adjusted EBITDA[2]	**197.5**	91.4	**116%**	**650.0**	**338.6**	**92%**
Adjusted net earnings[2]	**64.9**	26.6	**144%**	**206.2**	**114.0**	**81%**
Per share	**0.16**	0.09	**78%**	**0.53**	**0.40**	**33%**
AFFO[2]	**127.0**	61.0	**108%**	**455.4**	**260.0**	**75%**
Revenue	**443.3**	221.3	**100%**	**1,454.5**	**785.8**	**85%**
Dividends per Share	**0.1480**	0.1377	**7%**	**0.4606**	**0.4025**	**14%**

1. Transactions related to the Atlantica Yield investment and AAGES Joint Venture are expected to close in Q1, 2018.
2. Adjusted EBITDA, Adjusted Earnings Per Share, and Adjusted Funds From Operations Per Share are Non-GAAP measures that assess the operating performance without the effects of certain accounting adjustments which are derived from a number of non-operating factors, accounting methods and assumptions.

Investment Grade Capital Structure

C$ millions	September 30, 2017	
Long term debt	3,883.1	48.2%
Preferred shares	213.8	2.7%
Common equity[1]	3,953.9	49.1%
Total capitalization	8,050.8	100.0%



Strong Access to the Equity Markets

Canadian equity capital markets	U.S. equity capital markets
▪ TSX listed (Ticker: “AQN”)	▪ NYSE listed (Ticker: “AQN”)
▪ November 2017 $576 million equity offering	▪ Growing U.S. institutional investor base

Strong Access to Capital Beyond the Equity Markets

Liberty Power Bond Platform	Liberty Utilities Bond Platform
▪ Canadian public style bond platform	▪ U.S. private placement market
▪ C$785 M senior unsecured bonds issued	▪ US$1,275 M senior unsecured bonds issued
▪ January 2017 issued C$300 M, 4.1%, 10 yrs	▪ March 2017 issued US$750 M, 3.6%, 15 yrs[2]

1. Pro forma $576 M bought deal offering of common shares that closed on November 10, 2017.
2. Weighted average rate and tenor, inclusive of interest rate hedges.
3. US$200 M Liberty Utilities and US$200 M Empire credit facilities.

Risk Management

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

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

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 September 30, 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

Sustainable Growth in Dividend

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

Robust Development Program

- Line-of-sight on ~C$6 B[1] of growth over next five years
- New investment potential through Atlantica/AAGES of ~$1.0 B[2]
- Maintaining business and technology mix

Enterprise-wide Focus on 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. Does not include investment related at pending Atlantica Investment and AAGES Joint Venture.
2. Pending transaction close – expected in Q1, 2018.

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Appendix

Summary Financial Information

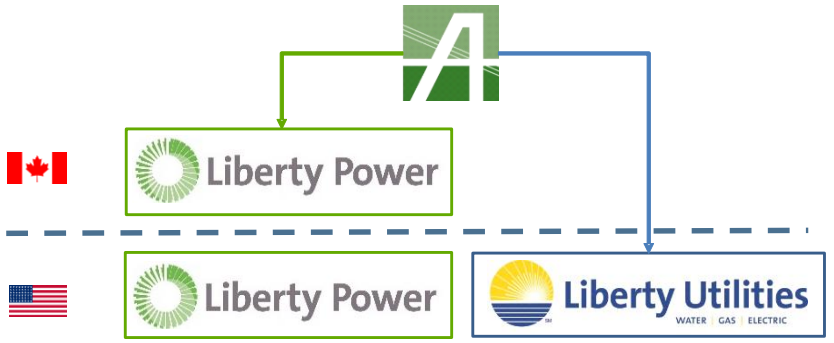
in $ millions	Annual						5-Year CAGR
	2011	2012	2013	2014	2015	2016	
Revenue	247.5	348.8	675.3	941.6	1,027.9	**1,096.0**	**35%**
Net earnings from continuing operations	22.9	13.5	62.3	77.8	118.5	**130.9**	**42%**
Per share	0.20	0.08	0.28	0.32	0.43	**0.44**	**17%**
Adjusted net earnings[1]	37.0	18.9	59.5	88.2	121.5	**161.6**	**34%**
Per share	0.32	0.11	0.26	0.37	0.46	**0.57**	**12%**
Adjusted EBITDA[1]	94.4	88.1	228.1	290.5	375.4	**476.9**	**38%**
AFFO[1]	63.6	66.8	154.9	206.5	287.4	**355.8**	**41%**
Dividend per share[2]	0.27	0.30	0.33	0.37	0.49	**0.55**	**15%**

1. Adjusted EBITDA, Adjusted Earnings Per Share, and Adjusted Funds From Operations Per Share are Non-GAAP measures that assess the operating performance without the effects of certain accounting adjustments which are derived from a number of non-operating factors, accounting methods and assumptions.
2. APUC has paid a U.S. dollar denominated dividend since 2014. Amounts shown are based on the Bank of Canada exchange rate on the dividend record/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.

Favourable Tax Positioning

Efficient corporate tax structure

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



C$4.0 B of tax attributes available

- APUC expects to begin paying cash taxes in 2021

Algonquin Power & Utilities Corp. (C$ millions)		
Non-capital losses		**$270**
	Liberty Power	**Liberty Utilities**
Non-capital losses	$563	$277
PP&E tax shelter	$373	$2,611
	$936	**$2,824**

Utility 2.0 – Significant Opportunity Set

APUC is capitalizing on disruptive changes under way within the power and utilities businesses

Disruptor #1

Declining **renewable energy** costs facilitate replacement of conventional energy sources

Opportunities for APUC

- Liberty Utilities: Fleet greening, Distributed Energy Resources
- Liberty Power: Active involvement in Renewables build-out
- Safe Harbor turbines to capitalize on low cost Renewables
- LNG/Nat Gas perfect bridge fuel for intermittent Renewables

Disruptor #2

Energy storage enables new options for residential and commercial customers

- Development skillset leveraged to offer storage solutions
- Community energy, deeper penetration of renewables
- Micro-grid partnership with Squaw Valley & global storage leader

Disruptor #3

Technology, **Internet of Things** reducing transactional barriers between customers

- SAP implementation to support full suite of grid/customer solutions
- Expanding set of regulator-supported energy efficiency initiatives
- $270 M in Smart Grid / AMI opportunities, more to come

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*	431,615,589
Dividend	US$0.4659 per share annually
Price*	$13.55
Market Capitalization*	$5.8 Billion

* Shares outstanding and share price as of November 13, 2017



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