ALGONQUIN
Power & Utilities Corp.

Fourth Quarter and Year-End 2017 Earnings Conference Call

March 2, 2018















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 management’s discussion and analysis. 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

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 Discussion & Analysis. 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.

Speakers and Agenda



Ian Robertson
Chief Executive Officer



Chris Jarratt
Vice Chair



David Bronicheski
Chief Financial Officer

➢ **Introductory Remarks**	**Chris Jarratt**
➢ **2017 Strategic Achievements**	**Ian Robertson**
➢ **2017 Financial Highlights**	**David Bronicheski**
➢ **Growth Update**	**Ian Robertson**

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2017 Strategic Achievements















2017 Highlights



- ✓ Adjusted EBITDA[1] - 85% Y-O-Y Increase
- ✓ Adjusted EPS[1] - 30% Y-O-Y Increase
- ✓ Asset growth - 28% Y-O-Y Increase
- ✓ Increased dividend by 10%



- ✓ Commissioned 210 MW net generation capacity
- ✓ Added 221,000 customers to utility distribution footprint
- ✓ Successful integration of Empire operations
- ✓ Completion of $576 M Bought Deal Offering



- ✓ Announcement of AAGES JV and Atlantica acquisition
- ✓ Greening the fleet initiatives include up to 800 MW new wind
- ✓ Announcement of Granite Bridge pipeline project
- ✓ Continued customer growth through accretive acquisitions

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

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2017 Financial Performance















Financial Performance

In millions of Canadian dollars or on a per share basis unless otherwise noted (Unaudited)	Quarterly			Annual		
	Quarter ended Dec. 31			Year ended Dec. 31		
	2017	2016	Change	2017	2016	Change
Adjusted EBITDA[1]	**233.4**	138.3	**69%**	**883.4**	476.9	**85%**
Adjusted Net Earnings[1]	**85.9**	51.4	**67%**	**292.1**	161.6	**81%**
Per share	**0.20**	0.18	**11%**	**0.74**	0.57	**30%**
Adjusted Funds from Operations[1]	**159.1**	96.4	**65%**	**614.5**	356.4	**72%**
Revenue	**523.4**	310.2	**69%**	**1,977.8**	1,096.0	**80%**
Dividend per share[2]	**0.15**	0.14	**7%**	**0.61**	0.55	**11%**

Organic initiatives are a material contributor to our growth

- **New projects contributed $415.9 M of incremental EBITDA**
- **Full impact of rate cases added a further $23.8 M**

1. *Please see Disclaimer on Non-GAAP Financial Measures on page 2 of this presentation.*
2. *APUC dividends are declared in USD.*

U.S. Tax Reform

Impacts within APUC's normal variability

- Neutral to slight positive on EPS, 2 - 3% negative to 2018 EBITDA
- Impacts are within normal variability of our business cycle

Lower corporate taxes are generally constructive

- Revaluation of deferred income taxes - one-time non-cash charge of $22.4 M
- Liberty Utilities – Neutral to EPS, slight impact to FFO in 2018
- Liberty Power – Neutral to FFO in short-term, positive impact in long-run

Other attributes are a net benefit

- Interest deductibility - Changes have no impact due to our current debt structure
- Eliminated bonus depreciation improves utility rate base growth by 50 bps

Renewables opportunities unaffected

- PTC components essentially unchanged
- Empire "Greening the Fleet" - Savings preserved despite tax reform

Capital access and credit metrics remain intact

- Tax equity needs satisfied internally, or through investment by 3rd parties
- Ability to improve credit metrics over time expected to continue

U.S Tax Reform allows opportunity for reduced rates and accelerated investment in system improvements

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Growth Update















Continued Progress on Development Projects

Great Bay Solar Completed

- ¾ of 75 MW installed capacity now online and producing energy
- Final commercial operation date (COD) expected in Q1/2018



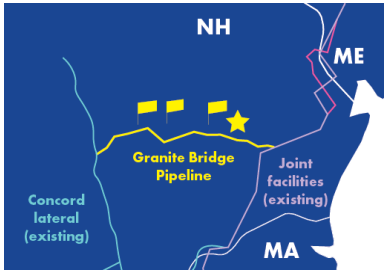
Amherst Island Progressing

- Construction well underway with ~25% of turbines erected
- Substantial completion expected in Q2/2018



Granite Bridge Approvals Sought

- US$340 M investment in 27 mile pipeline and 2 Bcf liquefaction-gasification facility drives customer savings
- Regulatory approval process underway



$7.7 B of Growth Through 2022

Organic Growth

- Greening of the generation fleet, including development of up to 800 MW of Midwest wind generation by 2020
- Pursuing US$44.4 M in incremental revenues through rate cases in 2018



"Customer First" Initiative

- Liberty Utilities commitment to best-in-class business processes to meet rapidly changing customer needs
- Represents ~US$400 M in organic investment

International Development

- Formation of AAGES joint venture as a measured entry into the international market
- CPs to closing for Atlantica investment met (immediately accretive to key financial and non-financial metrics)



Deliver Shareholder Returns

- Focused on delivering 10% annualized EPS growth over mid term
- Earnings and cash flow growth to support industry leading dividend growth



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Q & A















Rate Cases Currently Under Way in Liberty Utilities

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 April 2017 approving $6.2 M rate increase effective May 1, 2017, and two additional rate increases of ~$0.2 M and ~$0.3 M effective May 1, 2018 and May 1, 2019, respectively
New England Gas	MA	Gas System Enhancement Plan	$3.8	Final Order issued in April 2017 approving a $2.9 M rate increase effective May 1, 2017
Illinois Gas System	IL	General Rate Case	$3.0	Final Order issued in May 2017 approving a $2.2 M rate increase effective June 7, 2017
Oklahoma Electricity System	OK	General Rate Case	$3.0	In August 2017, in lieu of authorizing the proposed rate increase the Commission ordered an immediate increase of $1.0 M to capture the return on and of major capital investments related to plant upgrades and authorized Liberty Utilities to return in 2018 to seek the remaining proposed increases
Calpeco Electric	CA	Turquoise Solar Project	$3.0	Final Order issued in December 2017 approving the Settlement Agreement between Liberty Calpeco and the Office of Ratepayer Advocates dated June 30, 2017 which authorizes Liberty Calpeco to acquire, own, and operate the 10 MW, $15.4 M Turquoise Solar Project
Calpeco Electric	CA	Post-Test Year Adjustment Mechanism	$2.2	Final Order issued in November 2017 approving a $2.2 M rate increase effective January 1, 2018, based on the additional of costs related to the Luning Solar Project
Various	Various	Various	$4.8	Other rate cases closed in 2017 & 2018 with a combined approved rate increase of $2.8 M include: Entrada Del Oro Water ($0.2 M), Georgia Gas GRAM ($0.6 M), New England Gas Decoupling ($0.2 M), Iowa Gas GRC ($0.9 M), and Kansas Asbury Environmental and Riverton Cost Recovery Rider ($0.9 M)

** All dollar amounts presented in USD.*

Rate Cases Currently Under Way in Liberty Utilities (Cont'd)

Utility	State	Regulatory Proceeding Type	Rate Request (US$M)	Current Status*
Pending				
EnergyNorth Gas System	NH	General Rate Case	$19.7	Application filed April 2017 / Temporary rates of $6.8 M effective July 1, 2017 to be in place until end of permanent rate case
Litchfield Park Water & Sewer	AZ	General Rate Case	$5.1	Application filed February 2017 / Final rate decision expected Q4 2018
Missouri Gas System	MO	General Rate Case	$7.5	Application filed September 2017 / Final rate decision expected Q3 2018
Apple Valley Ranchos Water & Park Water Systems	CA	General Rate Case	$2.1	Application filed January 2018
New England Natural Gas System	MA	Gas System Enhancement Plan	$6.2	Application filed October 2017
Various	Various	Various	$4.3	Other pending rate case requests include: Woodmark/Tall Timbers Wastewater Systems ($1.6 M), Park Water System ($1.5 M), and Missouri Water System ($1.2 M)

** All dollar amounts presented in USD.*

Liberty Power Group Growth Initiatives

Total Project in Construction	Location	Size (MW)	Estimated Capital Cost (M)[1]	Commercial Operation Date	PPA Term	Production GW-hrs
Amherst Island Wind Project	Ontario	75	$320 - $350	2018	20	235
Great Bay Solar Project[2]	Maryland	75	$169 - $188	2018	10	146
Total Projects in Construction		**150**	**$489 - $538**			**381**
Projects in Development						
Blue Hill Wind Project	Saskatchewan	177	$315 - $350	2019/20	25	813
Val-Eo Wind Project	Quebec	24	$60 - $70	2018	20	66
Turquoise Solar Project[3]	Nevada	10	$25 - $31	2018		28
Total Projects in Development		**211**	**$400 - $451**			**907**
Total in Construction and Development		**361**	**$889 - $989**			**1,288**

150 MW
In Construction

211 MW
In Development

22 years
Weighted Average
PPA Length

1. Estimated capital costs for U.S. based projects have been converted at the exchange rate in effect at the end of the current reporting period.
2. The total cost of the project is expected to be approximately U.S. $135 - U.S. $150 M. Two of the four Great Bay Solar sites achieved COD in December 2017 while the remaining two sites are expected to achieve COD in the first quarter of 2018.
3. Turquoise be included in the CalPeco Electric System Rate Base. Total cost of the project is expected to be approximately U.S. $20 – U.S. $25 M.

CORPORATE INFORMATION

Head Office	Oakville, ON
Common Share Symbol	TSX and NYSE: AQN
Preferred Share Symbols	AQN.PR.A, AQN.PR.D
Shares Outstanding*	432,971,019
Dividend	U.S. $0.4659 per share annually
Price*	$12.69
Market Capitalization	$5.5 Billion

* Shares outstanding and closing price (TSX) as of February 28, 2018

CONTACT INFORMATION

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