



TD Securities Power & Utilities Conference Investor Presentation

May 30, 2018

All dollar amounts presented in USD, unless otherwise noted.



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.

All dollar amounts presented in USD, unless otherwise noted.

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.

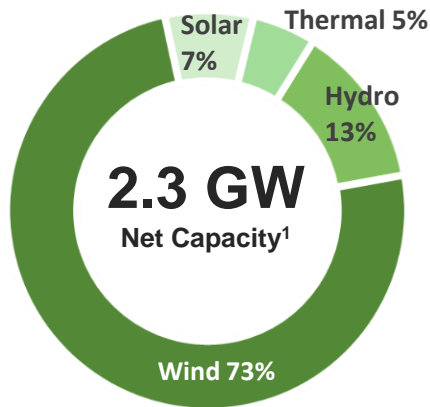
CHANGE TO U.S. DOLLAR REPORTING

Effective the first quarter of 2018, APUC’s interim and annual consolidated financial statements will be reported in U.S. dollars. Over 90% of APUC’s consolidated revenue, EBITDA, and assets are derived from operations in the United States. In addition, APUC’s dividend is denominated in U.S. dollars and the Company’s common shares are listed on the New York Stock Exchange. The Company believes that the change in reporting to U.S. dollars will provide improved information to investors and allow for better assessment of its results without the effects of the change in currency on 90% of its operations.

Overview – Algonquin Power & Utilities Corp.

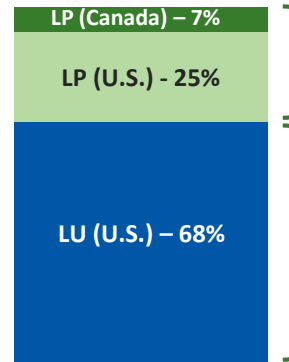


Liberty Power



- Diversified independent power portfolio with average PPA length of >16 years¹
- U.S.\$3.4 B in power assets¹
- International development strategy expands opportunity set

U.S.\$680.4 M
2017 Adj. EBITDA

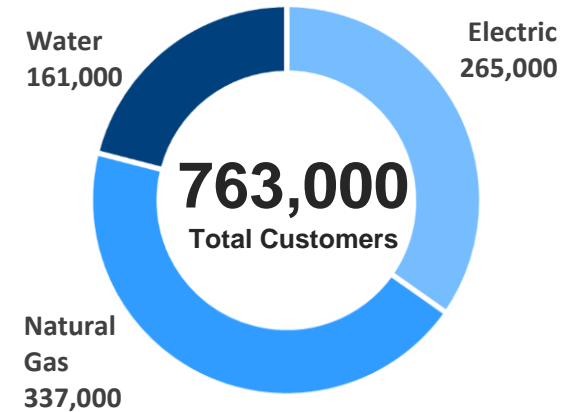


Long term
contacted
business model

Regulated
Returns

- Dominant, strong and stable base of North American businesses
- International platform provides operational diversification

Liberty Utilities



- Regulated utility, 100% US-based
- U.S.\$5.8 B in utility assets
- Diversified by regulatory jurisdiction and modality

Multiple avenues for growth within 5-year, U.S.\$6.4 B capital program²

1. Includes proportional consolidation of 41.5% of Atlantica Yield.

2. Capital program excludes acquisition of 25% Atlantica Yield (AY) interest (closed in Q1 2018), and includes ~16.5% interest in AY (expected to close in 2H2018).



Strategic Objective

To be a top quartile integrated utility as measured by:

Safety ♦ Customer Experience ♦ Employee Engagement

Financial Performance ♦ Commitment to Sustainability

Financial Goals

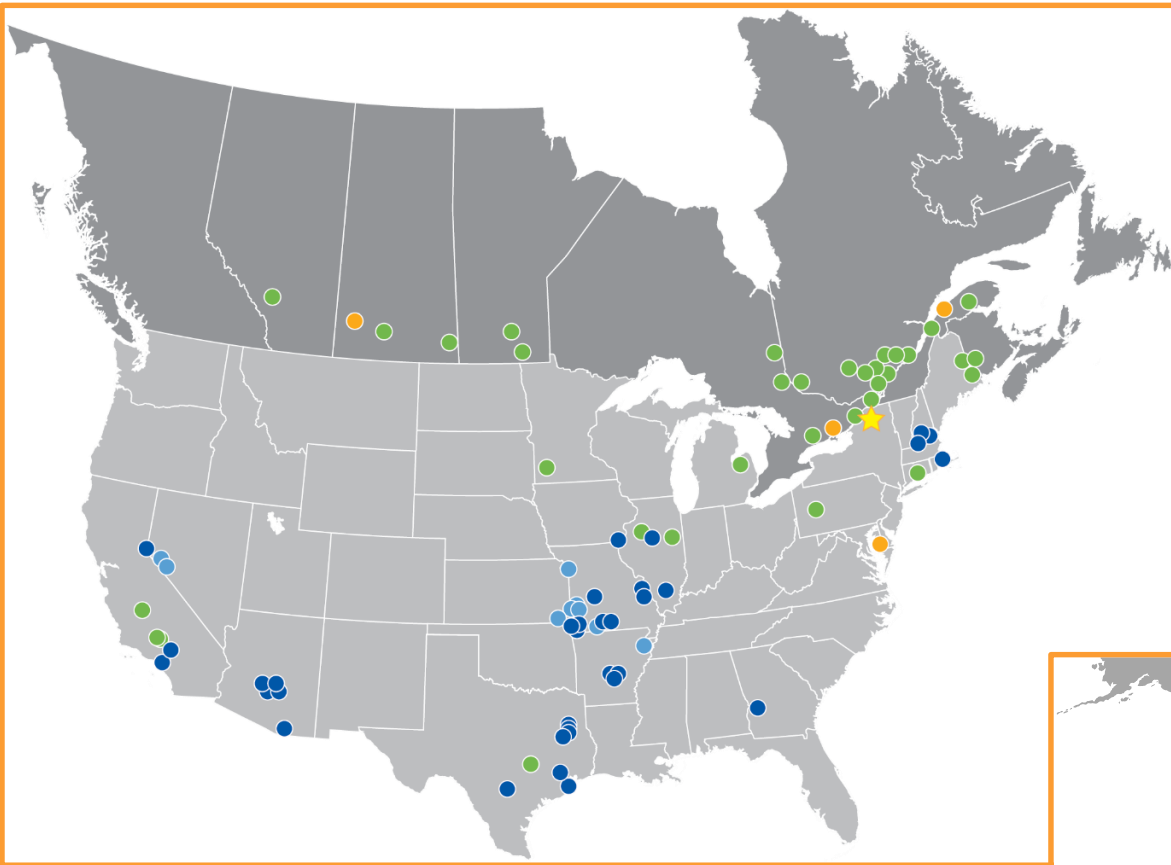
Adj. EPS growth	Dividend growth	Credit Rating
>10% CAGR	Industry Leading Dividend Growth	BBB

Avenues for Growth

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

Multi-strategy approach to delivering predictable, sustainable growth over the short, medium and long-term

North American Emphasis, with Global Reach



Liberty Power • Independent Power

U.S. and Canada

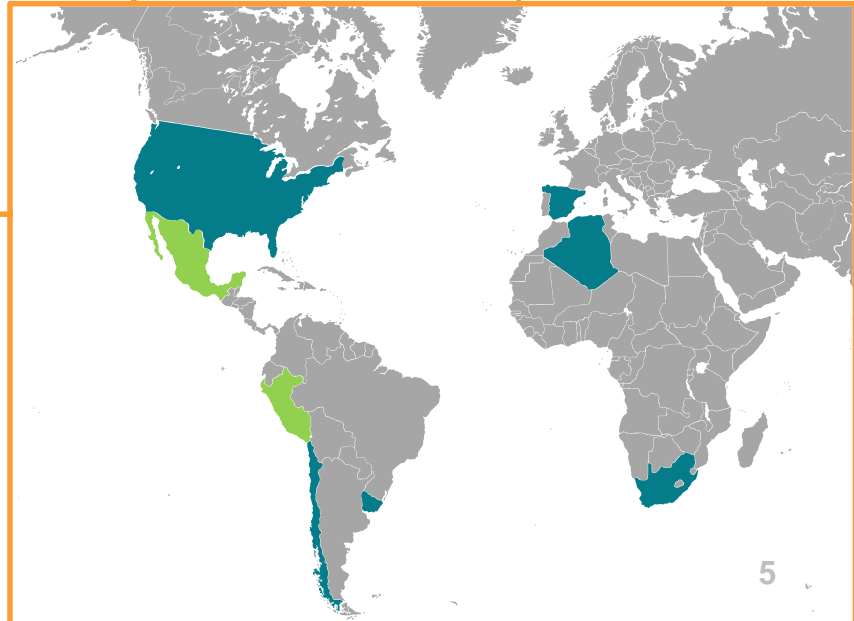
- Operating Facility
- Development Project

International

- Near-Term Project Opportunities¹
- Operating Facilities³

Liberty Utilities • Regulated Utility

- Transmission and Distribution Utility
- Rate based Generation
- ★ St. Lawrence Gas (*Pending approval*)



1. Atlantica Yield also owns operating facilities in both Peru and Mexico.
2. Closing of the subsequent ~16.5% interest expected in 2H2018.
3. AQN interest represented by proportional interest in Atlantica Yield

Liberty Utilities Offers Predictable Earnings and Growth



763,000 customers
265,000 electric / 337,000 gas /
161,000 water



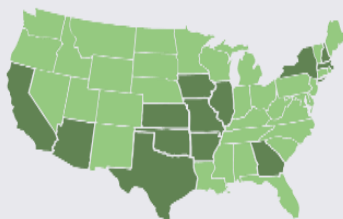
- Stable, predictable earnings and return protection across diverse customer base
- Core customer care competence

2,200+
employees



- Skilled at managing complex projects
- Capital investment competency
- Multiple franchise areas

38 utilities
13* operating states



- Diversified regulatory jurisdictions
- Effective capital deployment
- Regulatory relationship management

U.S.\$5.8 B
regulated utility assets



- Excellent growth track record
- Achieved 5-year CAGR of over 25%
- Accretive acquisitions in supportive regulatory environment

* Includes pending St. Lawrence Gas acquisition.



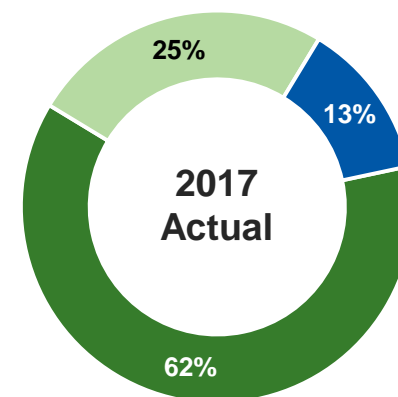
Investment opportunities

- ❑ **Organic Investments in utility rate base**
 - Organic capex of approximately U.S.\$2.5 B forecasted through 2022
 - Asset replacement, reliability and growth
- ❑ **Greening the Fleet**
 - Forecast U.S.\$1.3 B of regulated generation investment potential
- ❑ **Lowering Commodity Costs**
 - Granite Bridge - ~U.S.\$340 M investment project
- ❑ **Accretive Acquisitions**
 - St. Lawrence Gas - U.S.\$90 M / 16,000 customers

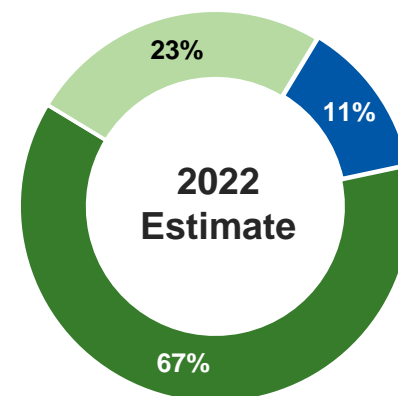
Predictable growth in EBITDA

- ❑ **U.S.\$18.9 M in pending rate requests remaining in 2018**
 - U.S.\$12.5 M awarded to date in 2018 across two rate cases
 - Regulatory filings in progress for seven additional rate cases
- ❑ **Diversity provides for stable, persistent growth in utility rates**
 - Multiple rate case requests taking place each year
 - Phased capex across multiple jurisdictions and timed to rate case cycles maximizes allowed returns

Liberty Utilities
Regulated Business Mix
EBITDA¹



■ Electricity ■ Water
■ Natural Gas



1. Percentages may not add to 100% due to rounding.

Liberty Power - Stable Fleet, Strong Growth Potential



62

Renewable and Clean Energy and
Water Infrastructure Facilities



Attractive returns and strong cash flow from renewable and clean energy generation sourced from water, wind, solar, and natural gas

Global footprint



Diverse generating fleet by both modality, geography and technology provides stable production profile

2,320 MW
net installed capacity¹



>90% of generation under long term power purchase contracts with inflation escalators

>16 years average PPA length²



Targeting unlevered after-tax IRRs of greater than 8%

1. Proportional consolidation of 41.5% interest in Atlantica Yield.

2. Production-weighted average as at Q1, 2018. of Liberty Power domestic portfolio together with proportional consolidation of 41.5% of Atlantica Yield assets.



Construction – 150 MW: ~ U.S.\$400 M capital cost

- ✔ **75 MW Great Bay Solar Project in Maryland**
 - 10 year PPA with U.S. Government / COD achieved Q1 2018
- ☐ **75 MW Amherst Island Wind Project in Ontario**
 - 20 year PPA with OPA / COD expected in Q2 2018

Development – 211 MW: ~ U.S.\$330 M capital cost

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

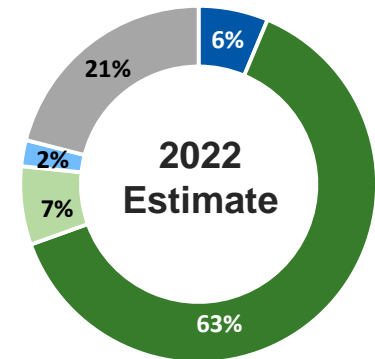
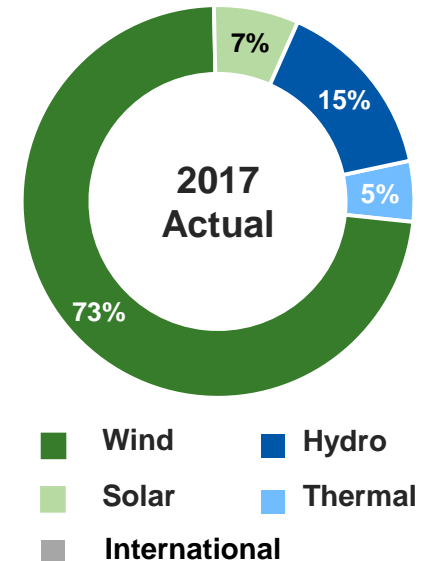
Safe Harbor Turbines: ~ U.S.\$700 opportunity

- ☐ **Turbine investment facilitates more than 450 MW of new wind development**
 - Focus on securing new US-based project opportunities
 - 2016 vintage PTCs access full incentive for COD prior to 2021

International Expansion: ~ U.S.\$640 M

- ☐ **Incremental investment potential in existing assets and new developments**
 - 16.5% interest (U.S.\$340M) expected to close in 2H2018
 - Currently identified development project equity investment opportunities of >U.S.\$300M

Liberty Power
EBITDA Mix¹



1. Percentages may not add to 100% due to rounding.



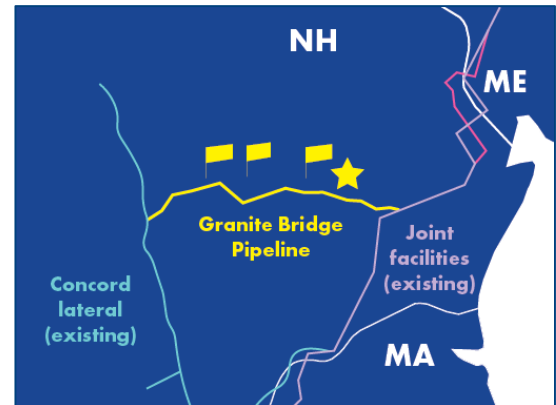
“Greening the Fleet” – Coal to Wind in the Midwest

- IRP filed in October 2017 proposing a phase-out of legacy coal facility and development of 600 MW of wind generation
- Wind is cost competitive – U.S.\$18 – U.S.\$28 / MWh, vs. variable coal cost of U.S.\$28 – U.S.\$35 / MWh
- More than U.S.\$1.0 B investment opportunity (Liberty Utilities total)
- Projected customer savings of over U.S.\$250 M (20 years)



Granite Bridge Pipeline Development Project

- 27 mile lateral underground natural gas pipeline
- Includes proposed Liquefied Natural Gas storage facility capable of storing up to 2 B ft³ of natural gas
- U.S.\$320 – U.S.\$360 M investment opportunity
- Significant customer commodity savings, diversification of supply, and increased tax revenue for host communities

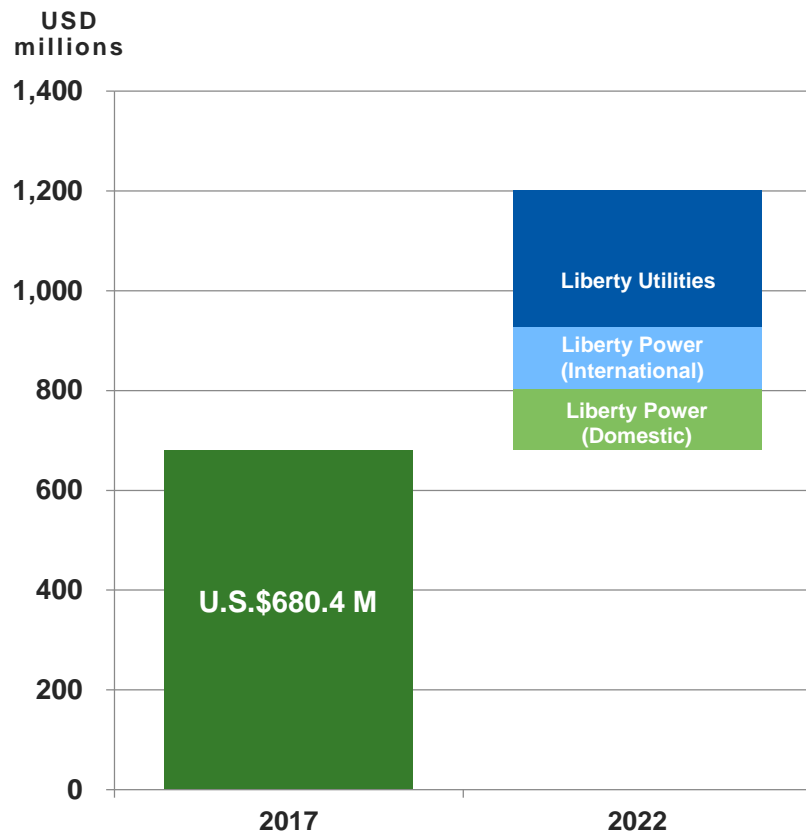


Advancing material new utility investment opportunities

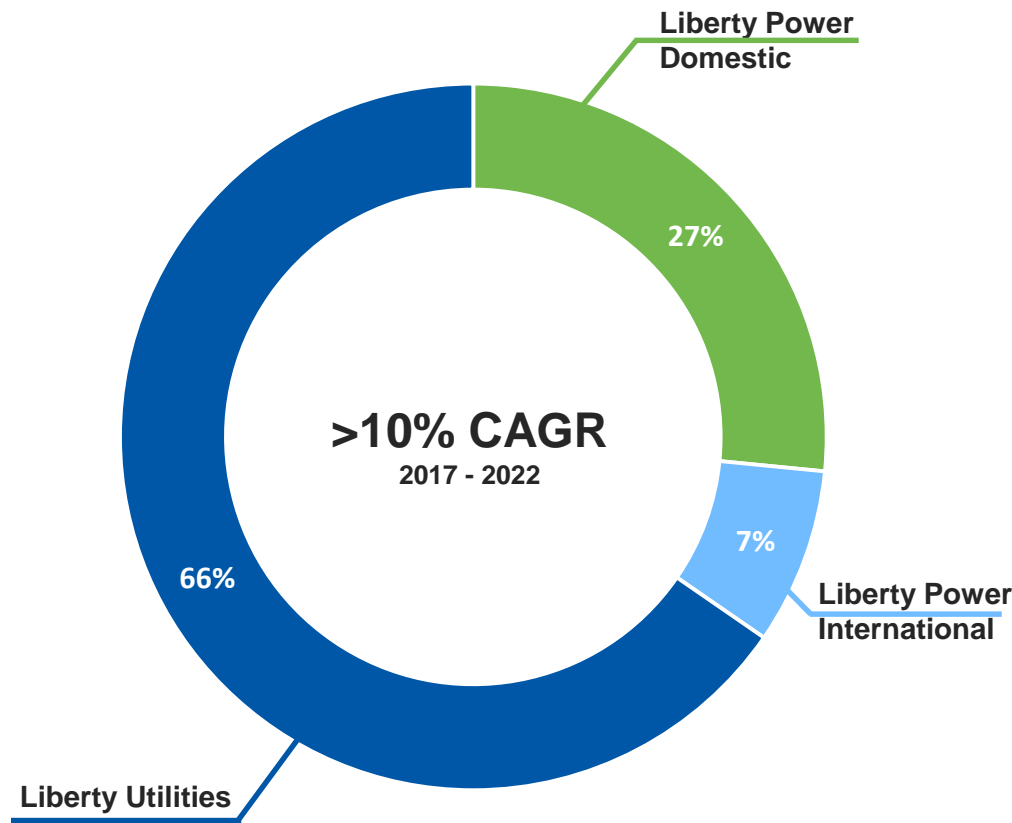
APUC Offers Visible Long-Term Growth



Adjusted EBITDA Walk

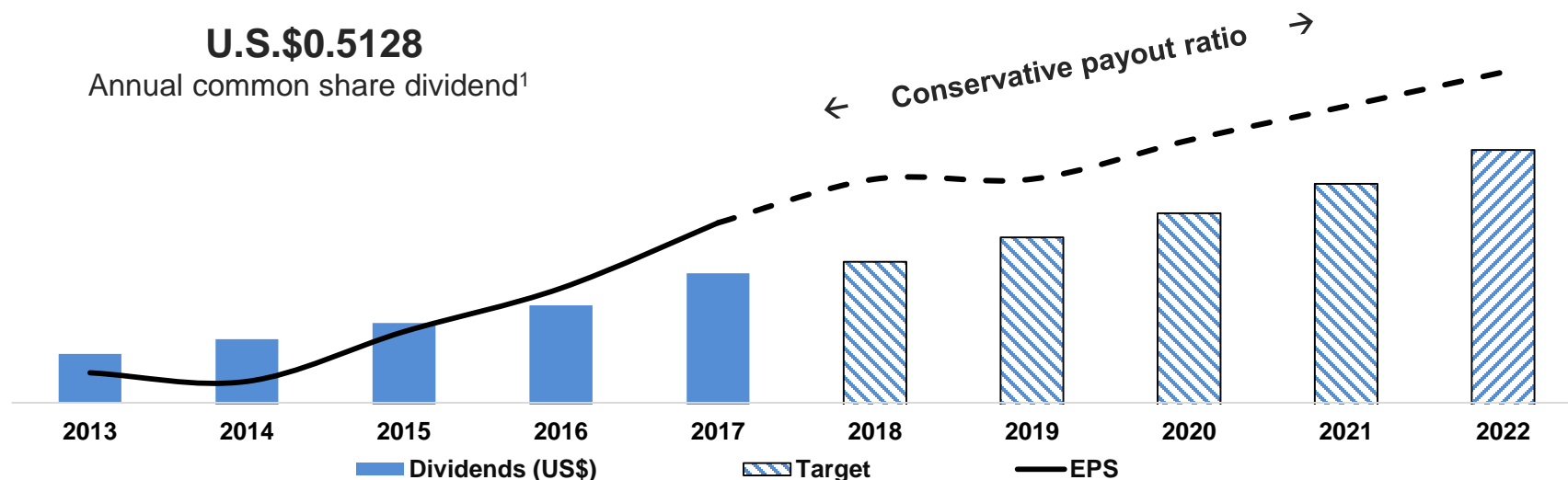


2022 Projected Adjusted EBITDA Split



Algonquin's strong organic growth program provides a visible, conservative growth plan through 2022

Long-Term Growth Plan Supports Sustainable Dividend



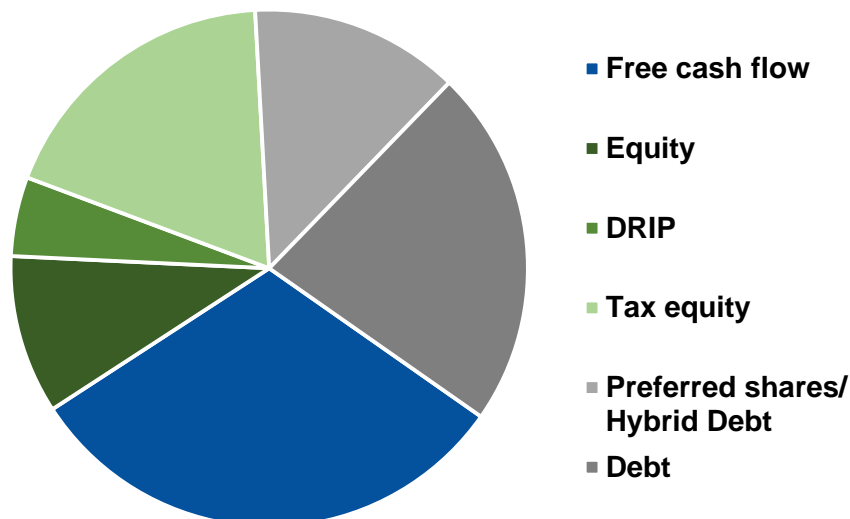
Robust growth model

Diversified, conservative business platform

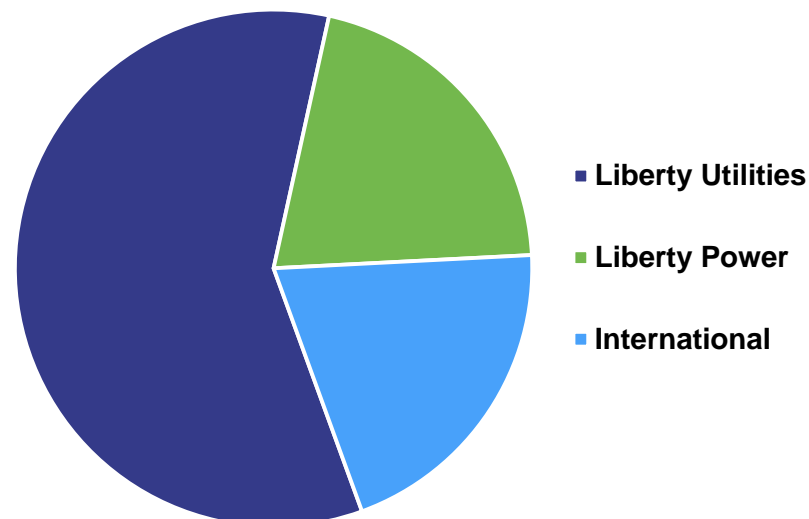
- Earnings per share growth of >10% supports targeted annual dividend increase
- AQN's dual-listing on TSX/NYSE provides strong access to N.A. capital markets
- AQN is part of the S&P/TSX Canadian Dividend Aristocrats Index
- Long-term investment grade BBB fixed rate debt financing
- Large proportion of earnings from regulated utility operations
- Reduced commodity price exposure through inflation indexed long-term PPAs

1. Annualized using Q2 dividend rate.

Sources of Capital



Uses of Capital



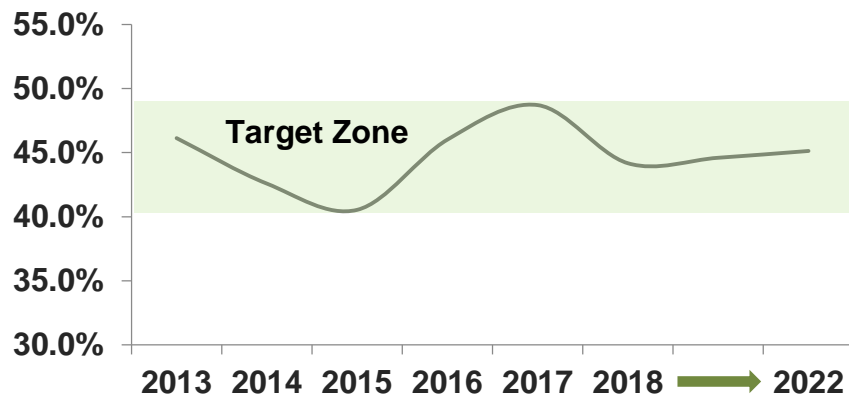
- U.S.\$6.4 B pipeline¹ of investment opportunities for execution within 2018 - 2022
- High degree of financial flexibility to execute on growth plans
 - Relatively low payout ratio provides significant internally generated cash flows
 - Premium dividend reinvestment program and tax equity provide additional sources of capital

1. Capital program excludes acquisition of 25% Atlantica (AY) interest (closed in Q1 2018), and includes additional ~16.5% AY interest (expected to close in 2H2018).

Investment Grade Capital Structure



Senior Debt to Total Capitalization



(in USD millions)

Actual - Dec. 2017

Long-term debt	3,080	48%
Preferred shares	184	3%
Equity	3,177	49%
Total capitalization	6,441	100%

Strong Access to Debt Capital 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
- Investment-grade credit ratings:
 - S&P: BBB / DBRS: BBB (low)

Liberty Utilities Bond Platform

- U.S. private placement market
- U.S.\$1,275 M senior unsecured bonds issued
- March 2017 issued U.S.\$750 M, 3.6%, 15 yrs¹
- Investment-grade credit ratings:
 - S&P: BBB / DBRS: BBB (high)

Highly committed to maintaining investment-grade capital structure

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

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 eight consecutive years
- Current annual dividend of U.S.\$0.5128, paid quarterly
- Industry-leading dividend growth

Robust Development Program

- Line-of-sight on U.S.\$6.4 B of growth over next five years
- New pathways to international growth
- 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 power generation development and utility expertise
- Entrepreneurial roots are core to the corporate culture



ALGONQUIN

Power & Utilities Corp.



Appendix

U.S. Tax Reform - Overview of the Effects



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 U.S.\$17.1 M¹
- 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 to reduce customer rates and accelerate investment in system improvements

1. Charge taken at time of Q4, 2017 reporting.



All figures are in USD millions except per share data	Quarter ended March 31, 2018		
	2018	2017	Change
Adjusted EBITDA ¹	279.2	192.3	45%
Adjusted net earnings ¹	141.0	66.5	112%
Per share	0.32	0.19	68%
Adjusted funds from operations ¹	179.9	156.7	15%
Revenue	494.8	421.7	17%
Dividend per share	0.1165	0.1165	n/c

Strong seasonal demand, and resources

- Solid performance throughout our Renewables fleet
- Higher utility demand during cold winter months of Q1

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

2017 Financial Results – Reported in USD



All figures are in USD millions except per share data	Quarterly				Annual
	Q1	Q2	Q3	Q4	2017
Revenue	421.7	337.1	353.7	411.3	1,523.8
Net earnings attributable to shareholders	19.3	35.3	47.7	47.2	149.5
<i>Per Share</i>	0.05	0.09	0.12	0.11	0.37
Adjusted Net Earnings	66.5	39.5	52.0	67.0	225.0
<i>Per Share</i>	0.19	0.09	0.13	0.16	0.57
Adjusted EBITDA¹	192.3	147.1	157.7	183.3	680.4
Total Assets	8,174.9	8,113.3	8,258.6	8,397.4	8,397.4
Long Term Debt	3,586.5	3,404.5	3,553.7	3,080.5	3,080.5
Dividends to Shareholders² (Per Share)	0.12	0.12	0.12	0.12	0.47

1. Please see Disclaimer on Non-GAAP Financial Measures on page 2 of this presentation.
2. Totals may not add due to rounding.

2016 Financial Results – Reported in USD



All figures are in USD millions except per share data	Quarterly				Annual
	Q1	Q2	Q3	Q4	2016
Revenue	248.1	172.9	169.6	232.4	823.0
Net earnings attributable to shareholders	30.4	19.0	13.5	35.0	97.9
<i>Per Share</i>	0.11	0.07	0.05	0.13	0.36
Adjusted Net Earnings	41.3	22.4	27.1	30.6	121.4
<i>Per Share</i>	0.15	0.08	0.09	0.10	0.42
Adjusted EBITDA¹	108.2	75.6	76.7	98.4	358.9
Total Assets	4,323.9	4,300.5	4,590.1	6,143.9	6,143.9
Long Term Debt	1,705.2	1,703.1	1,815.1	3,181.7	3,181.7
Dividends to Shareholders² (Per Share)	0.10	0.11	0.11	0.11	0.41

1. Please see Disclaimer on Non-GAAP Financial Measures on page 2 of this presentation.
2. Totals may not add due to rounding.



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

CORPORATE INFORMATION

Head Office

Oakville, ON

Common Share Symbol

TSX / NYSE: AQN

Preferred Share Symbols

AQN.PR.A, AQN.PR.D

Shares Outstanding*

472,135,885

Dividend**

U.S. \$0.5128 per share annually

Price*

U.S. \$9.85

Market Capitalization*

U.S. \$4.65 Billion

* Shares outstanding as of April 30, 2018 and AQN price as of May 29, 2018.

** Annualized using Q2 dividend rate.



@AQN_Utilities