

APUC Investor Presentation

September 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” or “APUC”) 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 expected growth and development projects, its future plans and strategic objectives, the effects of U.S. tax reform, 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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NON-GAAP FINANCIAL MEASURES DISCLAIMER

The terms “adjusted net earnings”, “earnings before interest, taxes, depreciation and amortization (EBITDA)”, “adjusted earnings before interest, taxes, depreciation and amortization” (“Adjusted EBITDA”), “adjusted funds from operations”, “per share cash provided by adjusted funds from operations”, “Adjusted net earnings”, “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.

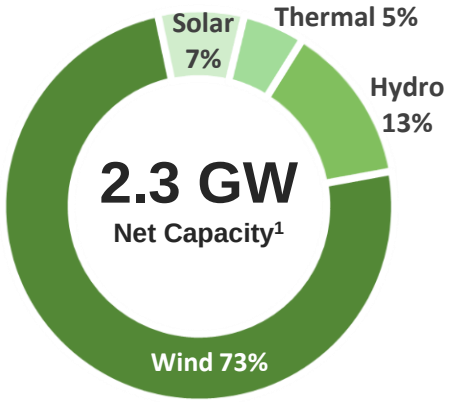
CHANGE TO U.S. DOLLAR REPORTING

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 approximately 90% of its operations.

Overview – Algonquin Power & Utilities Corp.

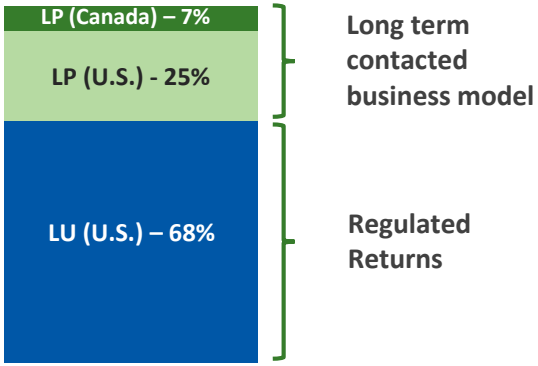
ALGONQUIN Power & Utilities Corp.

Liberty Power



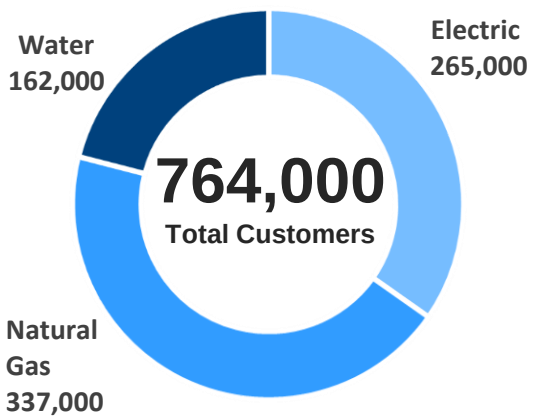
- Diversified independent power portfolio with average PPA length of >16 years[1]
- U.S.$3.9 B in power assets[1]
- International development strategy expands opportunity set

U.S.$680.4 M 2017 Adj. EBITDA



- 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 program[2]

1. *Includes proportional consolidation of our 41.5% interest in Atlantica Yield Plc ("Atlantica Yield"). Percentages refer to LP generating portfolio only.*
2. *Capital program excludes acquisition of 25% Atlantica Yield interest (closed in Q1 2018), and includes ~16.5% interest in Atlantica Yield (expected to close in 2H2018).*

Our Strategic Objective and Financial Expectations

Strategic Objective

To be a top quartile integrated utility as measured by:

Safety ♦ Customer Experience ♦ Employee Engagement

Financial Performance ♦ Commitment to Sustainability

Financial Goals

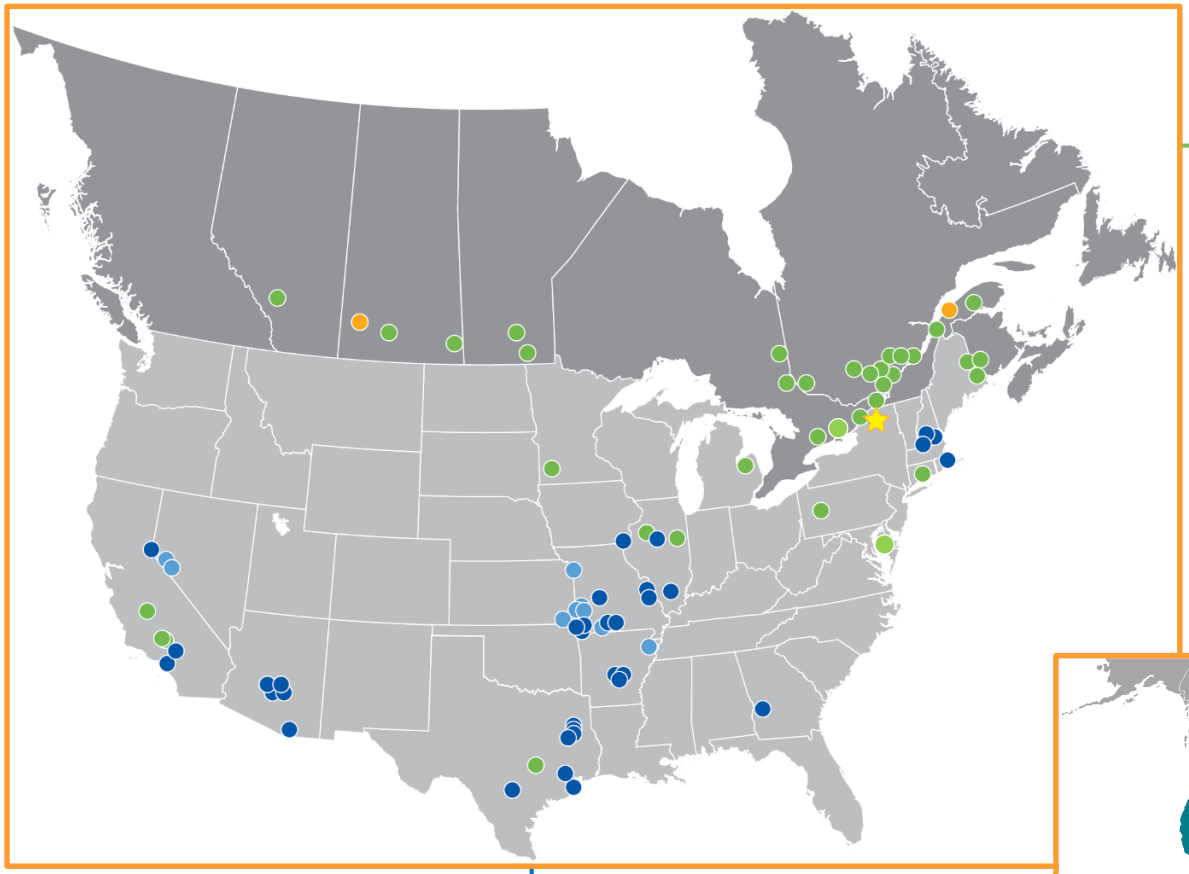
Adj. EPS growth	Dividend growth	Credit Rating
>10% CAGR	Industry Leading Dividend Growth	BBB

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



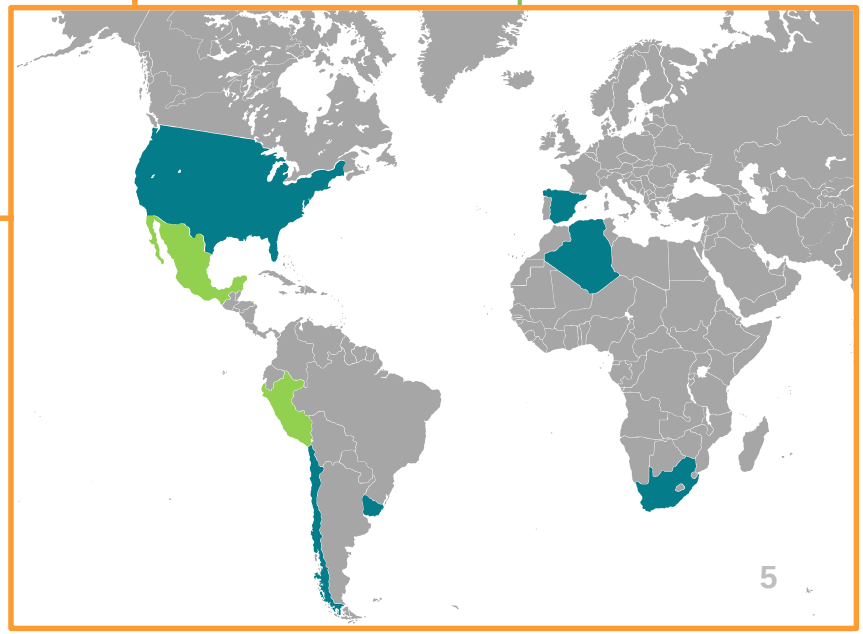
Liberty Power • Independent Power

U.S. and Canada

- Operating Facility
- Development Project

International

- Near-Term Project Opportunities[1]
- Operating Facilities[2]

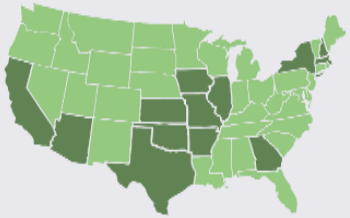


Liberty Utilities • Regulated Utility

- 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. *AQN interest represented by proportional interest in Atlantica Yield.*

Liberty Utilities Offers Predictable Earnings and Growth

764,000 customers 265,000 electric / 337,000 gas / 162,000 water		• Stable, predictable earnings and return protection across diverse customer base • Core customer care competence
2,200+ employees		• Skilled at managing complex projects • Deep operational expertise • Multiple franchise areas
39 utilities **13** operating states *Values include pending St. Lawrence Gas acquisition.*		• Diversified regulatory jurisdictions • Efficient 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 environments

Liberty Utilities – U.S.$4.4 B Investment Potential Through 2022

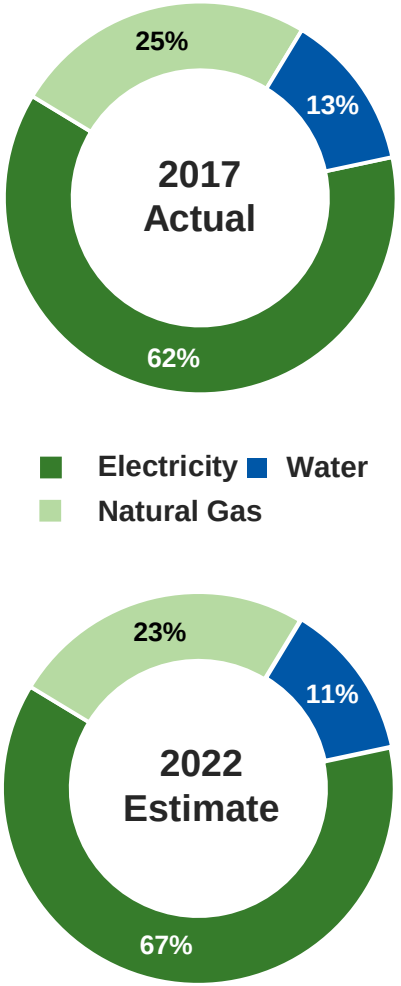
Investment opportunities for reliability, customer savings

- **Organic Investments in Utility Rate Base**
  - Organic capex of approximately U.S.$2.5 B forecasted through 2022
  - Focus on aging asset replacement, grid modernization, and customer growth
- **Greening the Fleet**
  - Forecast of up to U.S.$1.6 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

Diverse operations support predictable growth in EBITDA

- **U.S.$7.1 M in pending rate requests remaining in 2018**
  - U.S.$20.8 M awarded to date in 2018 across three rate cases
  - Regulatory filings in progress for five 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 and capital efficiency

Liberty Utilities Regulated Business Mix EBITDA[1]



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

Liberty Power – Diversified 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
2.3 GW net installed capacity[1]		>90% of generation under long term power purchase contracts with inflation escalators
>16 years average PPA length[2]		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.*

Liberty Power – U.S.$2.0 B Investment Potential Through 2022

Commissioned in 2018 – 150 MW: ~ U.S.$400 M investment

- ☑ **75 MW Great Bay (Solar - Maryland)** - 10 year PPA / COD achieved Q1 2018
- ☑ **75 MW Amherst Island (Wind - Ontario)** - 20 year PPA / COD achieved Q2 2018

Development – 201 MW: ~ U.S.$330 M opportunity

- ❑ **24 MW Val-Éo (Wind - Quebec)** - 20 year PPA w/ Hydro Quebec / COD expected in 2019
- ❑ **177 MW Blue Hill (Wind - Sask.)** - 25 year PPA w/ SaskPower / COD expected in 2021/2022

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

- ❑ **Turbine investment facilitates more than 450 MW of new wind development**

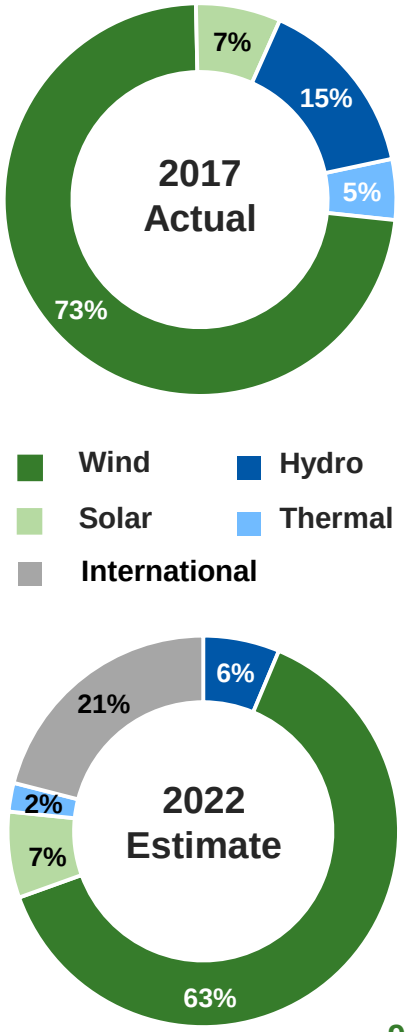
Identified wind projects:

- ❑ **135 MW Walker Ridge (California)** - COD expected late 2020/early 2021
- ❑ **120 MW Shady Oaks II (Illinois)** - COD expected late 2020/early 2021
- ❑ **100 MW Sandy Ridge II (Pennsylvania)** - COD expected late 2020/early 2021
- ❑ **80 MW Broad Mountain (Pennsylvania)** - COD expected in 2020

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

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

Liberty Power EBITDA Mix[1]



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

Advancing our Significant Growth Opportunities

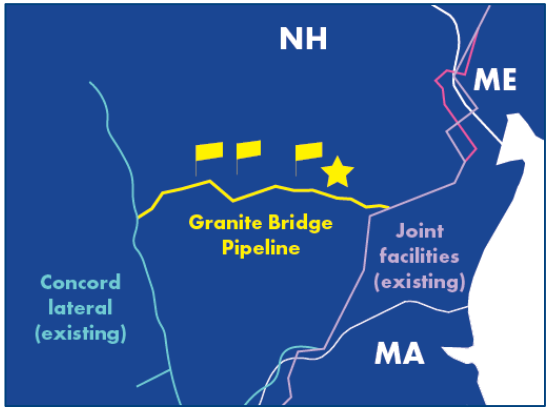
"Greening the Fleet" – Coal to Wind in the Midwest

- July 2018 - Missouri Public Service Commission delivered an order supporting our "Customer Savings Plan" - development of up to 600 MW of wind generation, replacing coal production
- Projected customer savings of approximately U.S.$170 M over 20 years
- More than U.S.$1.0 B investment opportunity (Liberty Utilities total)
- Wind is cost-competitive: U.S.$18-$28 / MWh, vs. variable coal cost of U.S.$28 - $35 / MWh



Granite Bridge Pipeline Development Project

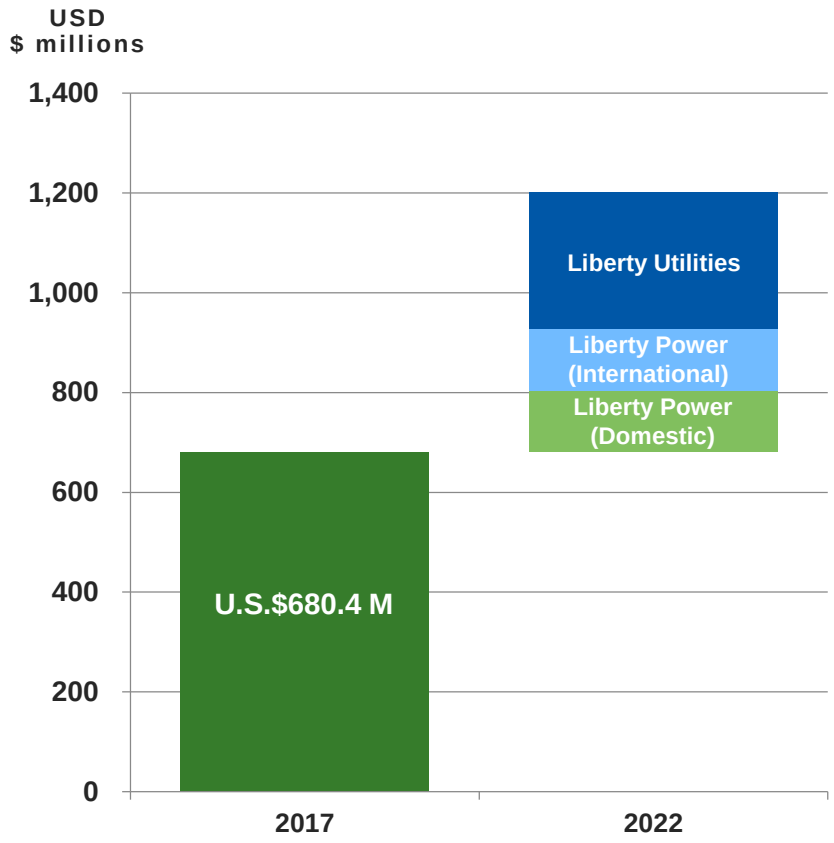
- 27 mile lateral underground natural gas pipeline
- Includes proposed Liquefied Natural Gas storage facility capable of storing up to 2 B ft^3 of natural gas
- U.S.$320 - U.S.$360 M investment opportunity
- Significant customer commodity savings, diversification of supply, and increased tax revenue for host communities



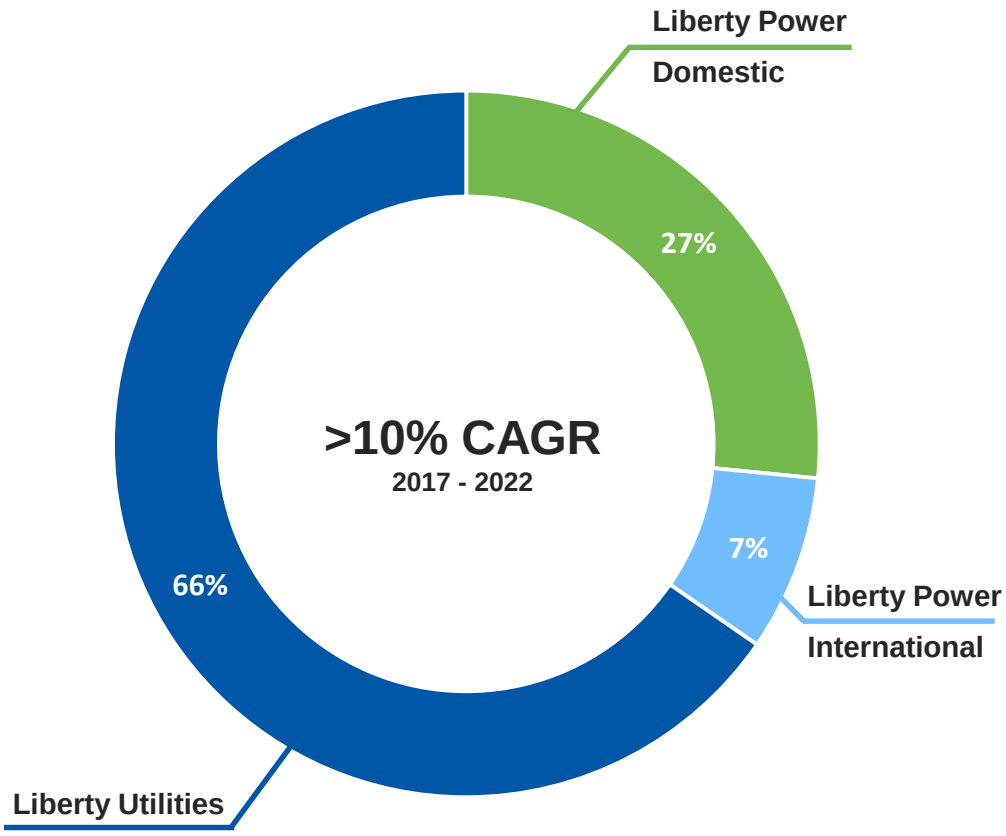
Advancing material new utility investment opportunities

APUC Offers Visible Long-Term Growth

Adjusted EBITDA Walk



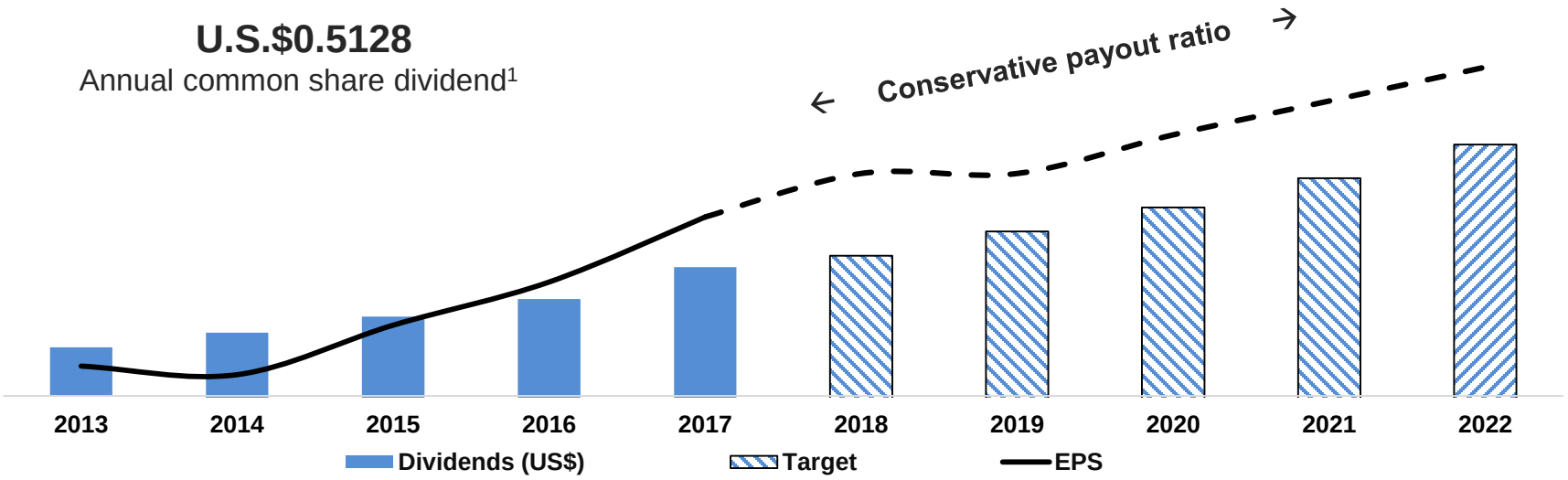
2022 Projected Adjusted EBITDA Split



Algonquin provides a strong, visible, conservative growth plan through 2022

Long-Term Growth Plan Supports Sustainable Dividend

U.S.$0.5128
Annual common share dividend[1]



Robust growth model

- 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

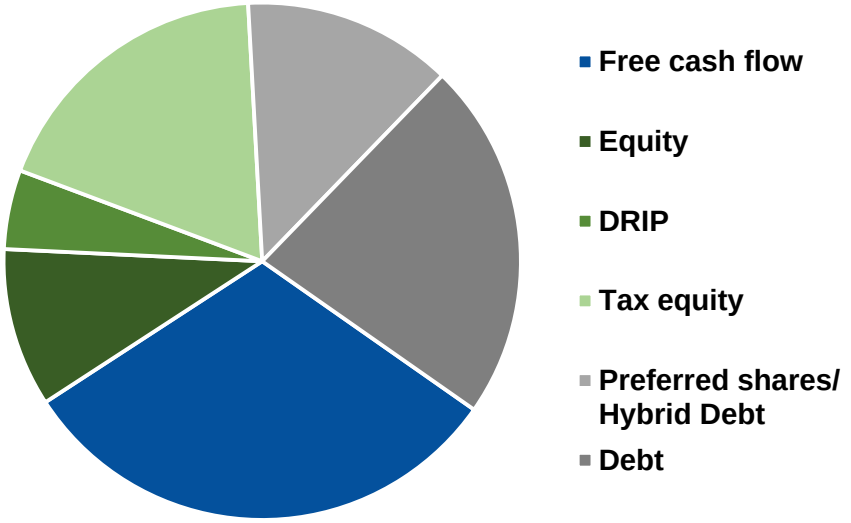
Diversified, conservative business platform

- 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

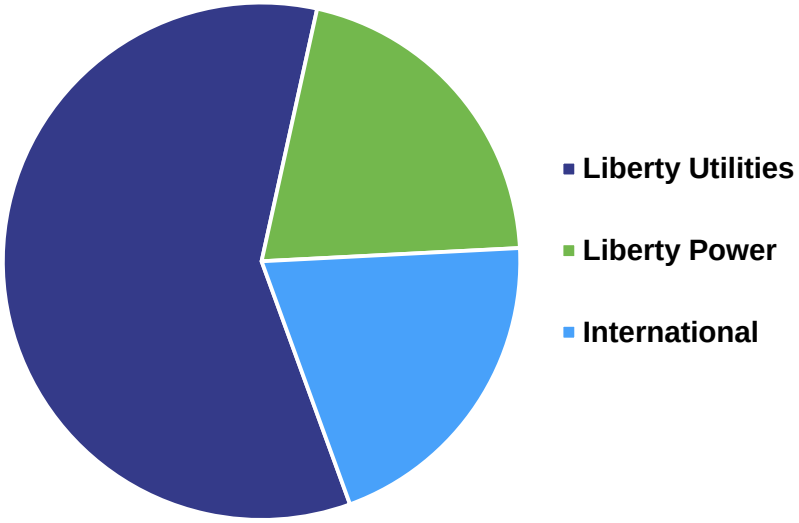
1. *Annualized using Q2 dividend rate. For further information on APUC's dividend policy, see APUC's most recent annual information form.*

Robust Capital Program

Sources of Capital



Uses of Capital

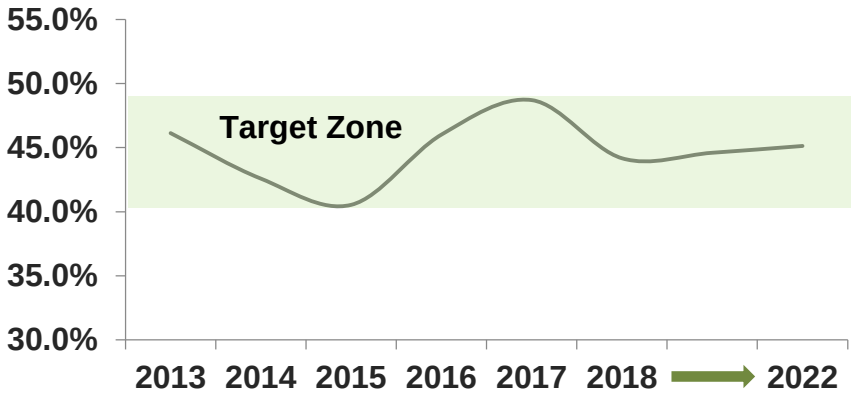


- U.S.$6.4 B pipeline[1] of investment opportunities for execution within 2018 - 2022
- High degree of financial flexibility to execute on growth plans
  - Relatively low payout ratio provides significant internally-generated cash flows
  - Premium dividend reinvestment program and tax equity provide additional sources of capital

1. *Capital program excludes acquisition of 25% Atlantica Yield interest (closed in Q1 2018), and includes additional ~16.5% Atlantica Yield 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) / Fitch: BBB

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 yrs[1]
- Investment-grade credit ratings:
  - S&P: BBB / DBRS: BBB (high) / Fitch: BBB

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
- Diverse operations result in stable earnings profile

Sustainable Growth in Dividend

- Annual dividend increases for eight consecutive years
- Current annual dividend of U.S.$0.5128 [1], 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 valuable business and technology mix

Enterprise-wide Focus on Risk Management and Sustainability

- Investment grade capital structure
- Dedicated Enterprise Risk Management and Internal Audit functions
- Long-term corporate commitment to Sustainability

Management Team

- Thirty years of power generation development and utility expertise
- Entrepreneurial roots are core to the corporate culture

1. *Annualized using Q2 dividend rate. For further information on APUC's dividend policy, see APUC's most recent annual information form.*

ALGONQUIN
Power & Utilities Corp.



Appendix

Q2 2018 Financial Performance

All figures are in USD $ millions except per share data	Second Quarter ended June 30, 2018		
	2018	2017	Change
Adjusted EBITDA[1]	160.3	147.1	9%
Adjusted net earnings[1]	50.9	39.5	29%
Per share	0.11	0.09	22%
Adjusted funds from operations[1]	113.9	90.1	26%
Revenue	366.2	337.1	9%
Cash Flows from Operating Activities	133.3	54.8	143%
Dividend per share	0.1282	0.1165	10%

Strong seasonal utility demand offsets weaker renewables production

- **High cooling degree days within electric utility in Q2**
- **Contributions from new power facilities offset below average wind and hydro resources**

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

Q2 2018 Highlights



- ✓ Adjusted EBITDA[1] - 9% Increase vs. Q2 2017
- ✓ Adjusted EPS[1] - 22% Increase vs. Q2 2017
- ✓ AFFO - 26% Y-O-Y Increase vs. Q2 2017



- ✓ Regulatory order supportive of “Greening the Fleet” initiative
- ✓ Achieved COD at the Amherst Island Wind facility
- ✓ Construction commenced on 10 MW CalPeco solar facility



- ✓ Deeper commitment to international energy and water
- ✓ Commitment to renewable natural gas and infrastructure
- ✓ 300 MW of incremental ‘safe harbour’ supported wind capacity

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

Algonquin Power & Utilities Corp.

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CORPORATE INFORMATION

Head Office	Oakville, ON
Common Share Symbol	TSX / NYSE: AQN
Preferred Share Symbols	AQN.PR.A, AQN.PR.D
Shares Outstanding*	473,868,106
Dividend**	U.S. $0.5128 per share annually
Price*	U.S. $ 10.45
Market Capitalization*	U.S. $5.0 Billion

* Shares outstanding as of August 31, 2018 and price as of September 14, 2018.
** Annualized using Q2 dividend rate. For further information on APUC's dividend policy, see APUC's most recent annual information form.



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