

Q3 Corporate Update

November 2018

All dollar amounts presented in USD, unless otherwise noted.

FORWARD-LOOKING STATEMENTS DISCLAIMER

Forward-looking Statements and Forward-Looking Information

This presentation contains statements that constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities legislation (collectively, “forward-looking information”) with respect to Algonquin Power & Utilities Corp. (“Algonquin” or “APUC” or the “Company”). The words “anticipates”, “believes”, “budget”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “may”, “might”, “plans”, “projects”, “schedule”, “should”, “will”, “would” and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words. The forecasts and projections that make up the forward-looking information contained herein are based on certain factors or assumptions, many of which are outside of the Company’s control.

The forward-looking information contained herein is subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information. Factors which could cause results or events to differ materially from current expectations include, but are not limited to: changes in general economic, credit, social and market conditions; changes in customer energy usage patterns and energy demand; global climate change; the incurrence of environmental liabilities; natural disasters and other catastrophic events; the failure of information technology infrastructure and cybersecurity; the loss of key personnel and/or labor disruptions; seasonal fluctuations and variability in weather conditions and natural resource availability; reductions in demand for electricity, gas and water due to developments in technology; reliance on transmission systems owned and operated by third parties; issues arising with respect to land use rights and access to the Company’s facilities; critical equipment breakdown or failure; terrorist attacks; fluctuations in commodity prices; capital expenditures; reliance on subsidiaries; the incurrence of an uninsured loss; a credit rating downgrade; an increase in financing costs or limits on access to credit and capital markets; sustained increases in interest rates; currency exchange rate fluctuations; restricted financial flexibility due to covenants in existing credit agreements; an inability to refinance maturing debt on commercially reasonable terms; disputes with taxation authorities or changes to applicable tax laws; requirement for greater than expected contributions to post-employment benefit plans; default by a counterparty; inaccurate assumptions, judgments and/or estimates with respect to asset retirement obligations; failure to maintain required regulatory authorizations; changes to health and safety laws, regulations or permit requirements; failure to comply with and/or changes to environmental laws, regulations and other standards; compliance with new foreign laws or regulations; failure to identify attractive acquisition or development candidates necessary to pursue the Company’s growth strategy; delays and cost overruns in the design and construction of projects; loss of key customers; failure to realize the anticipated benefits of acquisitions or joint ventures; Atlantica or the Company’s joint venture with Abengoa acting in a manner contrary to the Company’s best interests; facilities being condemned or otherwise taken by governmental entities; increased external stakeholder activism adverse to the Company’s interests; fluctuations in the price and liquidity of the Company’s common shares; and other factors set forth in the company’s annual information form and most recent quarterly commentary. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.

Forward-looking information contained herein is made as of the date of this presentation and based on the plans, beliefs, estimates, projections, expectations, opinions and assumptions of management on the date hereof. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Accordingly, you should not place undue reliance on forward-looking information. While subsequent events and developments may cause the Company’s views to change, the Company disclaims any obligation to update any forward-looking information or to explain any material difference between subsequent actual events and such forward-looking information, except to the extent required by law. All forward-looking information contained herein is qualified by these cautionary statements.

NON-GAAP FINANCIAL MEASURES DISCLAIMER

The term “adjusted earnings before interest, taxes, depreciation and amortization” (“Adjusted EBITDA”), is used in this presentation. Adjusted EBITDA is not a recognized measure under GAAP. There is no standardized measure of Adjusted EBITDA, consequently APUC’s method of calculating Adjusted EBITDA 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 Adjusted EBITDA can be found in APUC’s most recent Management Discussion and Analysis, and a reconciliation of Adjusted EBITDA to net earnings is included in the Appendix to this presentation.

Presenters



David Bronicheski
Chief Financial Officer
Algonquin Power & Utilities Corp.

- Joined Algonquin in 2007, with 14 years of experience in cable television and telecommunications industry
- Leads the company's long-term financial strategy function
- 30+ years of executive management and corporate finance experience



Arthur Kacprzak
VP Treasury and Treasurer
Algonquin Power & Utilities Corp.

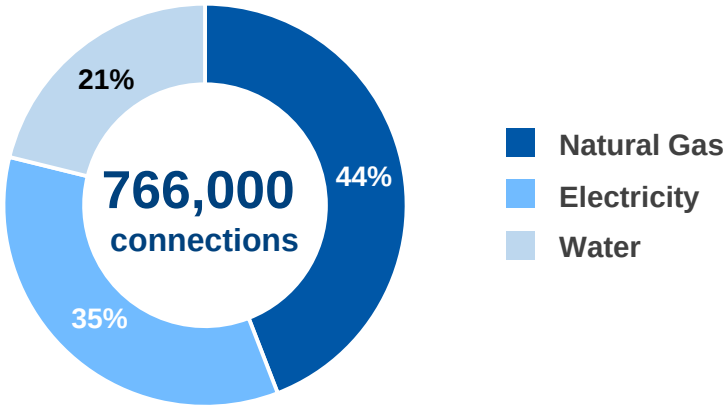
- Joined Algonquin in 2012
- Leads the Treasury function
- 20+ years of experience in finance and treasury

Overview of Algonquin Power & Utilities Corp.

Liberty Utilities

- $5.9 B in regulated utility assets
- 74% of 2017 Adjusted EBITDA

Diversified Utility Mix (Q3 2018)

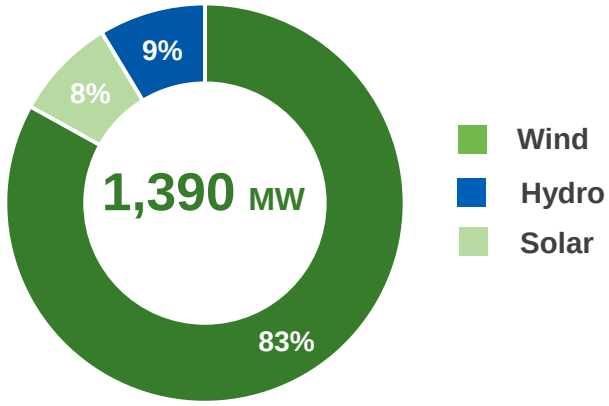


- Diversified utility operations
  - 39 utilities
  - 13 state regulatory commissions[1]
- Regulated cost of service business

Liberty Power

- $3.0 B in power assets
- 26% of 2017 Adjusted EBITDA

Renewables Generation Mix[2] (Q3 2018)



- Diversified power operations
  - 39 facilities
  - 6 provinces / 8 states
- Long term contracted portfolio

Strong and stable operations from an asset portfolio that is diversified regionally and by asset type

1. *Includes pending St. Lawrence Gas acquisition.*
2. *Excludes Thermal generating capacity.*



Liberty Utilities

Strong, Diversified Utility Business

Under the Liberty Utilities brand, APUC delivers water, electricity, and gas utility services to 766,000 connections across the United States

Company Highlights

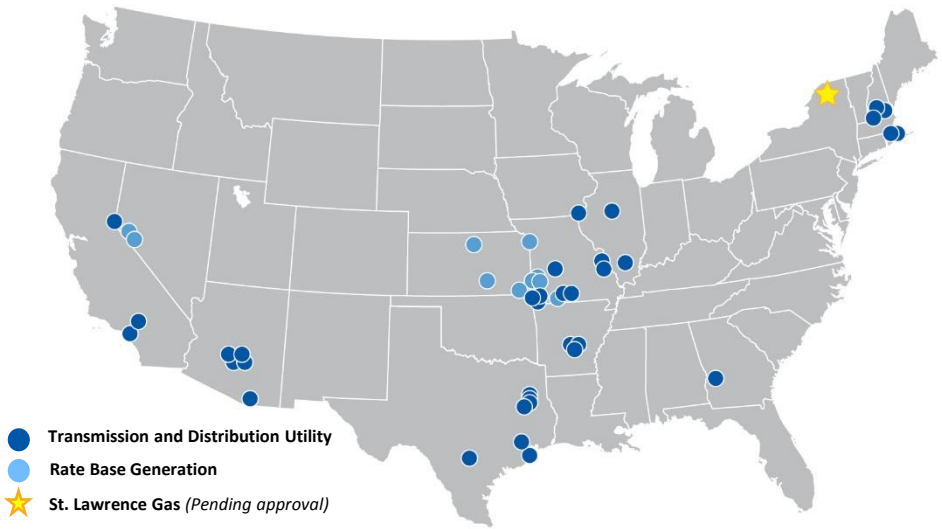
Diverse, Multi-Modal Operating Base

- Stable and predictable cash flows from low-risk regulated electricity, natural gas, water and wastewater distribution utilities
- Track record of seamlessly integrating accretive acquisitions since 2001

High-quality Utility Operations

- Well-maintained asset portfolio and diversified operating platform across 13 states[1]

Service Territories



Regulated Business Structurally Separate

- Legally, structurally and financially separate from APUC and Liberty Power's unregulated power generation business

Benefits of Regulatory Diversity

- Complete multiple rate reviews each year, resulting in steady incremental revenue changes due to rates
- Focus on building strong regulatory relationships to create supportive regulatory environments

1. Includes pending St. Lawrence Gas Acquisition.

Constructive Regulatory Environments

Mechanism Type	CA	AZ	GA	NH	NY	MA	MO	AR	IL
Revenue Assurance	◆ ⚡		◆	◆ ⚡	◆	◆	⚡		◆
Accelerated Recovery Mechanisms	◆ ⚡	◆	◆	◆ ⚡	◆	◆	◆	⚡	◆
Increases Between Test Years	◆ ⚡	◆	◆	◆ ⚡	◆	◆	◆		
Deferred Recovery	◆ ⚡	◆		◆ ⚡	◆	◆	◆ ⚡		◆

⚡ - Electric ◆ - Water ◆ - Gas

Mechanisms enhance Liberty Utilities' ability to earn its authorized ROE

Focus on Achieving Authorized Returns

Optimal ROE Strategy

Achieving authorized ROEs

- Capital optimization and managing operating costs
- Taking advantage of regulatory mechanisms
- In 2017, Liberty Utilities achieved its authorized ROE

Minimizing Impacts to our Customers

Maintaining competitive customer rates

- OpEx to CapEx strategy minimizes impact
- Best practices benefit all utility operations and customers
- Strive to maintain competitive rates vs. adjacent utilities







Liberty Utilities strives to achieve authorized ROEs while maintaining competitive customer rates

Leading the Transition to Renewables

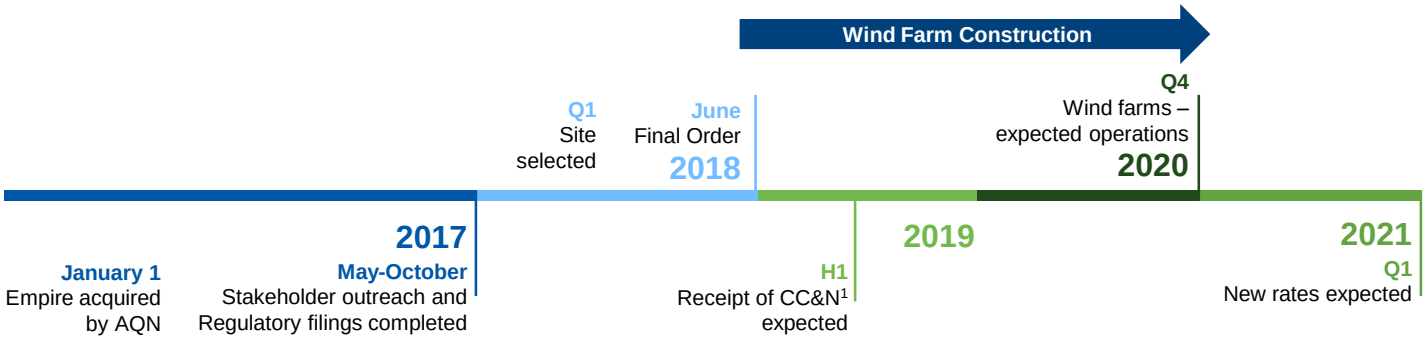
Commitment to Sustainability

- Liberty Utilities is committed to corporate sustainability
- Corporate initiatives include:
  - Transitioning truck fleet to natural gas and electric vehicles
  - Increasing proportion of renewable energy delivered to customers
  - Gradual phase-out of coal generation

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

- Retirement of coal and construction of 600 MW of wind
- Estimated customer savings of up to $300 million over 30 years
- Extensive stakeholder outreach conducted

Midwest wind expected to be in rates in Q1 2021



1. *CC&N = Certificate of Convenience and Necessity.*

ALGONQUIN
Power & Utilities Corp.

Liberty Power



Proven, Diversified Power Developer / Producer

Under the Liberty Power brand, APUC owns and operates approximately 1.7 GW of wind, solar, hydroelectric, and thermal energy facilities across North America

Company Highlights

Low Risk, Diverse Operating Base

- Strong cash flows from renewable and clean energy generation sources
- Diversified by modality, energy markets, geography, and technology

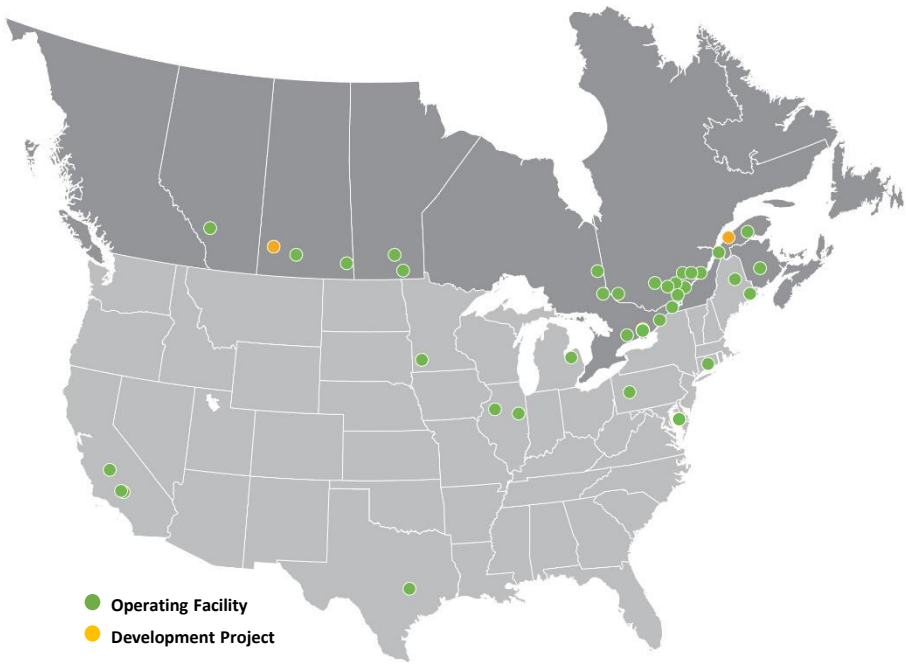
High-quality Operating Fleet

- Reliable, proven technology and long-lived assets with low variable operating costs
- Long-term O&M and warranty agreements

Measured Entry into International Infrastructure

- Formation of AAGES[1] joint venture
- Acquisition of equity interest in Atlantica

Facilities



Stable, Secure Off-Take

- Weighted average PPA length of 14 years
- 86% under long-term power purchase contracts
- Contracted asset portfolio ensures stable cash flows

1. AAGES = Abengoa Algonquin Global Energy Solutions.

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Power & Utilities Corp.

Algonquin Power & Utilities Corp.



Financial Policy

Committed to maintaining investment grade credit metrics

- Preserve a capital structure & business mix consistent with mid-investment grade credit metrics
- Actively engage with debt and equity investors

Proactively manage liquidity requirements

- Preserve sufficient headroom under committed long-term credit facilities
- Target to sustain established and diversified banking relationships
- Stagger debt maturities to provide for a predictable and conservative refinancing profile
- Maintain a conservative payout ratio

Enterprise Risk Management and Sustainability

- Keep floating rate exposure to a minimum
- File regular rate reviews to recover cost of debt

Investment Grade Capital Structure

Highly committed to maintaining investment-grade capital structure

(in $M)	As of Sept. 30, 2018[1]	
Long-term debt[2]	**3,561**	**48%**
Preferred shares/ Subordinated Notes	**472**	**6%**
Equity	**3,411**	**46%**
Total capitalization	**7,444**	**100%**

APUC Financial Targets

- S&P / Fitch: Corporate BBB issuer ratings
  - **S&P:** FFO/Debt > 15%
  - **Fitch:** FFO Adjusted Leverage < 5.0
- Total Debt to Capitalization < 50%

Senior Debt Platforms

Liberty Power

- C$785 M senior unsecured bonds issued
- S&P: BBB / DBRS: BBB (low) / Fitch: BBB

Liberty Utilities

- U.S.$1,275 M senior unsecured notes issued
- S&P: BBB / DBRS: BBB (high) / Fitch: BBB

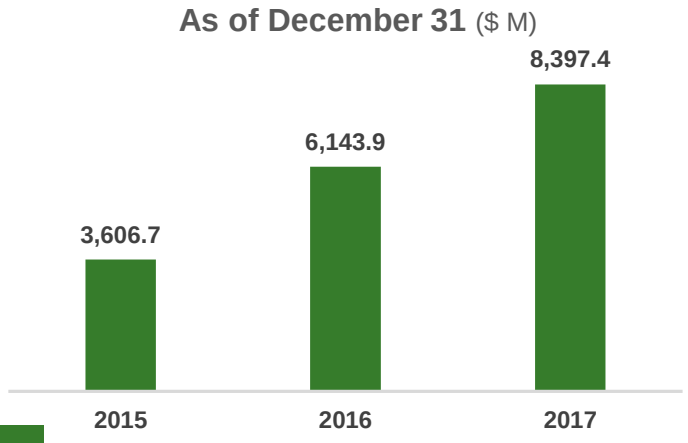
APUC Subordinated Notes

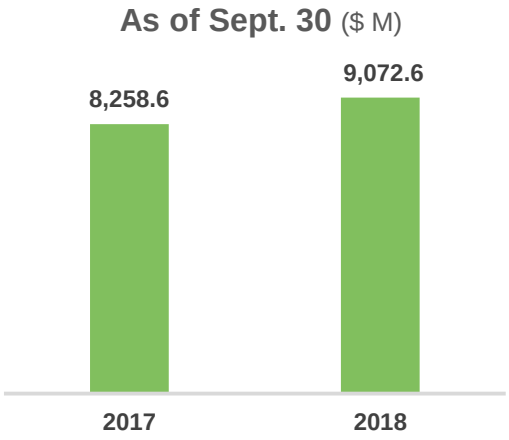
- US$287 M issued
- S&P: BB+ / Fitch: BB+
- US$1 B of total capacity
- Receives 50% equity credit from S&P and Fitch

1. Pro Forma to include recent U.S. offering of $287.5 million, 6.875% Fixed-to-Floating subordinated notes due October 17, 2078
2. Includes current and long-term portion of debt per the financial statements..

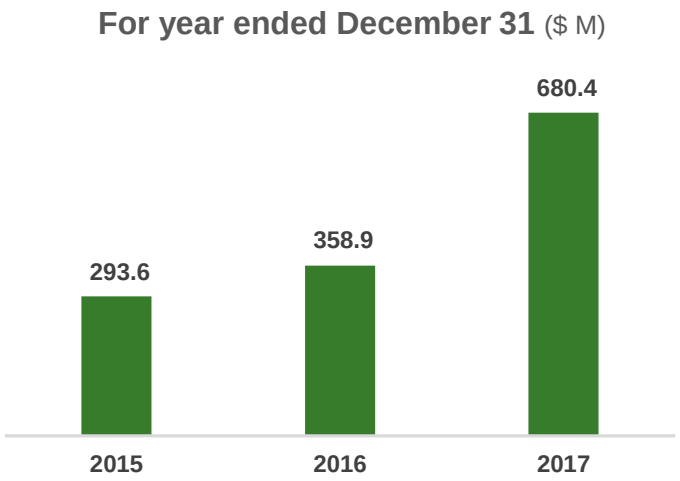
Consistent Corporate Growth

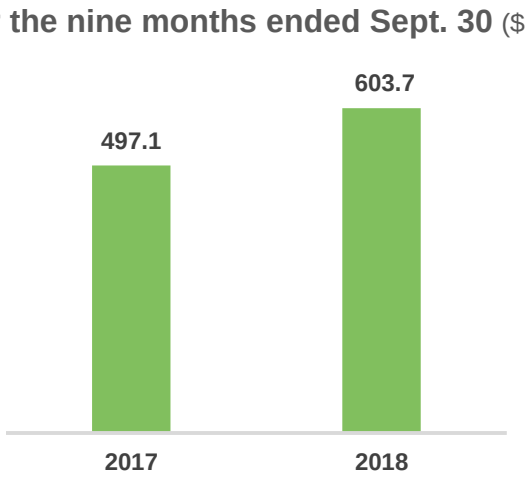
Assets





Adjusted EBITDA[1]





APUC has delivered consistent growth in its operations and earnings in the Liberty Utilities and Liberty Power businesses

1. Please see Non-GAAP Financial Measures.

Liquidity

- APUC continues to maintain strong relationships with banking partners
- Liquidity right sized to support increased scale
- Significant capacity remaining in the bank market

Algonquin Power & Utilities Corp.

- C$165 M senior unsecured bank credit facility

Liberty Power Co.

- $500 M senior unsecured bank credit facility
- Matures in 2023

Liberty Utilities Co.

- $500 M senior unsecured bank credit facility
- Matures in 2023

Commitment to maintaining strong credit metrics and a healthy credit structure while growing rate base

Corporate Highlights

Stable, Growing Earnings & Cash Flows

- Regulated utility business underpins stable earnings and cash flows
- Long-term contracted cash flows from non-regulated generation
- Long-term growth from commercially secured opportunities

High Quality Regulated Utility Platform

- Proven track record of achieving authorized ROEs
- Diversified operations and constructive regulatory environments
- Strong organic investment program fuels long-term growth

Strong Investment Grade Balance Sheet

- Commitment to corporate BBB investment grade credit metrics
- Strong capital markets access, liquidity provides financial flexibility
- Conservative dividend payout ratio

Commitment to Corporate Sustainability

- Long-term corporate commitment to sustainability
- Near-term plans to phase out coal and reduce carbon footprint
- Pursuit of water and energy efficiency initiatives

Experienced Management Team

- Extensive experience in regulated utilities and renewable generation
- Growth and sustainability are core to the corporate culture

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Power & Utilities Corp.

Appendix



October 2018 US$ Subordinated Notes Offering

ALGONQUIN Power & Utilities Corp.

US$287,500,000

Fixed-to-Floating
Subordinated Notes

October 2018

- On October 17, 2018 APUC issued US$287.5 million of 60 (non-call 5) year fixed-to-floating 6.875% subordinated notes (the "Notes")
  - US$250.0 million offering with $37.5 million over-allotment option exercised in full by the underwriters
  - At the time of issue, this represented a C$ swapped equivalent yield of approximately 6.450% (trading at 6.81% or approximately 6.35% C$ swapped equivalent[1])
  - Proceeds of the offering were used for general corporate purposes, including the repayment of outstanding indebtedness
- The Notes were assigned BB+/BB+ ratings by S&P and Fitch, respectively, and receive 50% equity treatment from both rating agencies

Offering Features	Series 2018-A Subordinated Notes
Price to Public	$25.00
Fixed Rate Period Interest	6.875% (from the Issue Date to but excluding October 17, 2023)
Floating Rate Period Interest	3-month LIBOR + 3.677% (October 17, 2023 until October 17, 2028) 3-month LIBOR + 3.927% (October 17, 2028 until October 17, 2043) 3-month LIBOR + 4.677% (October 17, 2043 until October 17, 2078)
Deferral Right	At APUC's sole discretion from time to time and up to 5 consecutive years
Dividend Stopper Undertaking	No dividends and no share repurchases during deferral event
Special Tax & Ratings Call	100% at anytime / 102% within 90 days
Automatic Conversion	Exchanged to preferred shares during bankruptcy proceedings

1. As at November 16, 2018.

Commitment to Risk Management and Sustainability

Enterprise Risk Management culture

- Dedicated, cross-functional/cross-regional Enterprise Risk Management team
- Executive oversight of top risks and effectiveness of ERM program



Key ERM program initiatives have been established

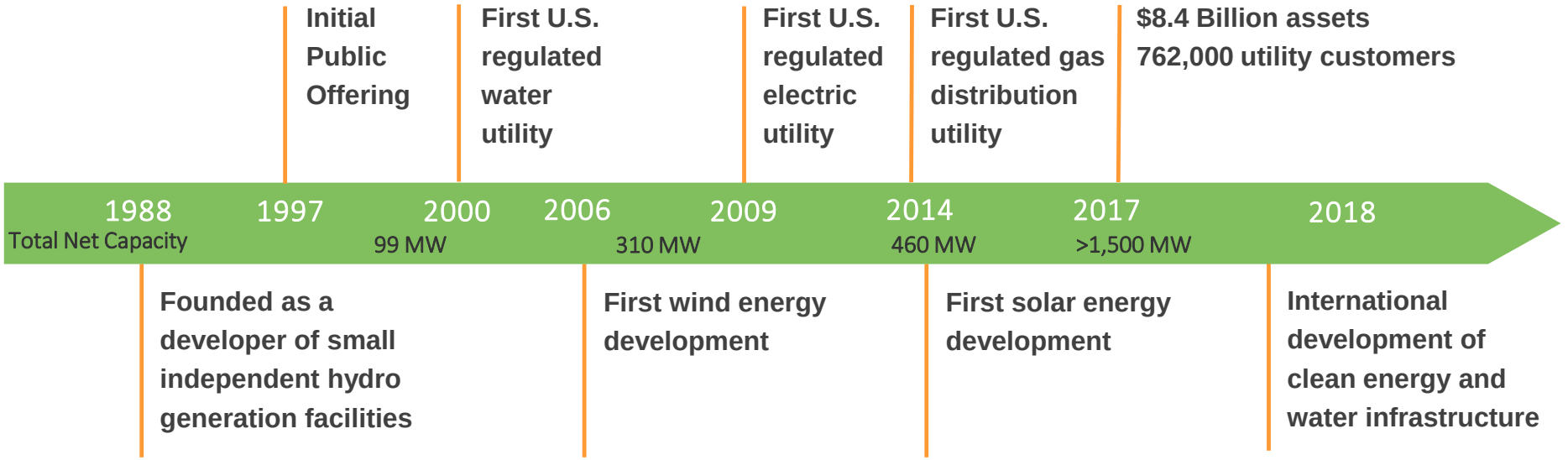
- Integration with strategic planning and budgeting processes
- Risk mitigation plans required for top enterprise risks
- Fostering risk awareness culture throughout the enterprise

Sustainability is strongly aligned with APUC's core values

- APUC Sustainability Policy based on UN Sustainable Development Goals
- Enterprise-wide sustainability framework and strategy being developed
- Documentation and stakeholder communication of APUC's existing sustainable business practices and track record underway
- Establishing longer-term corporate sustainability goals and performance metrics
- Ten-year track record of reporting under the Carbon Disclosure Project (CDP)



Algonquin Power & Utilities Corp. - Corporate History



- Algonquin has built a strong portfolio of regulated and contracted unregulated utility assets over its 30-year corporate history
- APUC has evolved into a majority regulated utility business, delivering consistent growth through accretive acquisitions and a strong program of organic growth
- Portfolio is based around a long-term vision of delivering stable and growing earnings and cash flows for all of its stakeholders
- Growth conservatively financed through an investment grade BBB corporate balance sheet

A 30-year runway to a stable, strong, and diversified asset base

Historical Financial Highlights

(in $M)	2015	2016	2017	9 months ended Sept. 30, 2018
Revenue	803.9	823.0	1,523.8	1,227.5
Net earnings attributable to shareholders	92.7	97.9	149.5	141.0
Cash provided by operating activities	204.8	229.5	329.3	361.7
Adjusted EBITDA[1]	293.6	358.9	680.4	603.7

Balance Sheet	2015	2016	2017	As at Sept. 30, 2018
Total Assets	3,606.7	6,143.9	8,397.4	9,072.6
Long term debt[2]	1,074.3	3,181.7	3,080.5	3,561.3

1. See Non-GAAP Financial Measures Disclaimer on page 2 and related reconciliation on page 27.
2. Includes current and long-term portion of debt and convertible debentures per the financial statements.

Highly Experienced Management Team



Ian Robertson
Chief Executive Officer
Algonquin Power & Utilities Corp.

- Co-founder and principal of the Company
- 30 years of experience in development, financing, acquisition and operation of electric power generating projects



David Bronicheski
Chief Financial Officer
Algonquin Power & Utilities Corp.

- Joined the Company in 2007 with 14 years of experience in cable television & telecommunications
- Over 25 years of senior management and corporate finance experience



Christopher Jarratt
Vice Chair
Algonquin Power & Utilities Corp.

- Co-founder and principal of the Company
- 30 years of experience in development, construction, financing, acquisition and operation of electric power generating projects



David Pasieka
Chief Transformation Officer
Liberty Utilities Group

- Joined the Company in 2010 as President of Liberty Utilities
- Over 26 years of global experience in sales, marketing, integration, P&L, operations and customer service



Mary Ellen Paravalos
Chief Compliance and Risk Officer
Algonquin Power & Utilities Corp

- Joined the Company in 2018
- Over 25 years of strategy, business performance, compliance and risk management experience in the utility business



Jeff Norman
Chief Development Officer
Algonquin Power & Utilities Corp.

- Co-founded the Algonquin Power Venture Fund in 2003
- Joined the Company in 2008
- Over 23 years of experience developing over 2,500 MW of renewable energy projects



Jennifer Tindale
Chief Legal Officer
Algonquin Power & Utilities Corp.

- Joined the Company in 2017
- Leads the legal function across all APUC businesses
- Over 20 years of experience in corporate and securities law



George Trisic
Chief Administrative Officer and Corporate Secretary
Algonquin Power & Utilities Corp.

- Joined the Company in 2013
- Leads the Administrative Operations of APUC and is the Corporate Secretary
- Over 25 years of senior legal and corporate management experience

NON-GAAP FINANCIAL MEASURES

Reconciliation of Adjusted EBITDA to Net Earnings

The following table is derived from and should be read in conjunction with the consolidated statement of operations. This supplementary disclosure is intended to more fully explain disclosures related to Adjusted EBITDA and provides additional information related to the operating performance of APUC. Investors are cautioned that this measure should not be construed as an alternative to U.S. GAAP consolidated net earnings.

(all dollar amounts in USD millions)	Nine Months Ended September 30		Twelve Months Ended December 31		
	2018	2017	2017	2016	2015[1]
Net earnings attributable to shareholders	**$141.0**	**$102.3**	**$149.5**	**$97.9**	**$91.9**
Add (deduct):					
Net earnings attributable to non-controlling interest, excl. of HLBV	1.4	1.8	2.4	5.7	1.6
Loss from discontinued operations, net of tax	-		-	-	0.8
Income tax expense	50.6	43.7	73.4	27.7	34.2
Interest expense on convertible debentures and bridge financing	-	13.4	13.4	43.9	-
Interest expense on long-term debt and others	111.8	109.1	142.4	55.7	51.6
Other losses (gains)	0.4	(3.1)	0.7	(9.1)	(4.0)
Write-down of long lived assets and loss on disposal	-		-	-	2.3
Acquisition-related costs	9.6	46.7	47.7	9.0	1.4
Change in value of investment in Atlantica carried at fair value	91.9	-	-	-	-
Costs related to tax equity financing	-	1.4	1.8	-	-
Loss (gain) on derivative financial instruments	0.9	1.2	(1.9)	(11.9)	(1.7)
Realized loss on energy derivative contracts	-	(0.6)	(0.6)	(0.6)	0.5
Loss (gain) on foreign exchange	(0.8)	(0.9)	0.3	(0.4)	(2.0)
Depreciation and amortization	196.9	182.1	251.3	141.0	117.2
Adjusted EBITDA	**$603.7**	**$497.1**	**$680.4**	**$358.9**	**$293.6**

1. Values for 2015 have been calculated using an annual average exchange rate of $0.7821.

Algonquin Power & Utilities Corp.

Contact Information

Ian Robertson
Chief Executive Officer

David Bronicheski
Chief Financial Officer

Ian Tharp
Vice President, Investor Relations
905-465-4500
Email: Investorrelations@apucorp.com

Corporate Information

Head Office	Oakville, ON
Common Share Symbol	TSX/NYSE: AQN
Subordinated Notes Symbol	NYSE: AQNA
Preferred Share Symbols	TSX: AQN.PR.A, AQN.PR.D
Shares Outstanding*	473,900,515
Dividend	U.S.$0.5128 per share annually
Price*	US$10.67
Market Capitalization	US$5.1 Billion

* Shares outstanding as of Sept 30, 2018 and price as of November 15, 2018.
** Annualized using Q3 dividend rate. For further information on APUC's dividend policy, see APUC's most recent annual information form.

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