ALGONQUIN
Power & Utilities Corp.

Third Quarter 2018 Earnings Conference Call

Friday, November 9, 2018















FORWARD-LOOKING STATEMENTS DISCLAIMER

Certain written and oral statements contained or made in this presentation and discussion are forward-looking within the meaning of applicable securities laws and reflect the views of Algonquin Power & Utilities Corp. (“APUC” or 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 development projects, the effects of U.S. tax reform, 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 most recent management discussion & analysis and annual information form. 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”, “earnings before interest, taxes, depreciation and amortization” (“EBITDA”), “adjusted EBITDA”, “adjusted funds from operations”, “per share cash provided by adjusted funds from operations” (“AFFO”), “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. For a reconciliation of the Financial Measures to their corresponding GAAP measures, please see the Appendix - Reconciliation of non-GAAP Financial Measures beginning on page 12 of this presentation or 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.

U.S. DOLLAR REPORTING

Effective January 1, 2018, APUC changed its presentation currency from Canadian dollars to U.S. dollars. Over 90% of APUC's consolidated revenue, Adjusted 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 currency to U.S. dollars will provide more relevant information to the users of the Company’s financial statements.

Speakers and Agenda



Ian Robertson
Chief Executive Officer



Chris Jarratt
Vice Chair



David Bronicheski
Chief Financial Officer

➢ **Introductory Remarks**	**David Bronicheski**
➢ **Q3 2018 Financial and Strategic Achievements**	**Ian Robertson**
➢ **Q3 2018 Financial Performance**	**David Bronicheski**
➢ **Growth Update**	**Ian Robertson**

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Q3 2018 Financial & Strategic Achievements















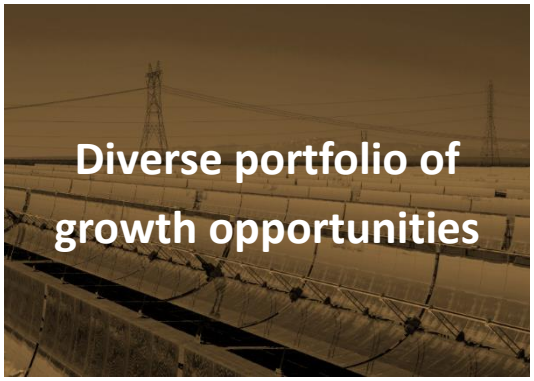
Q3 2018 Highlights



- ✓ Adjusted EBITDA[1] - 4% increase vs. Q3 2017
- ✓ AFFO[1] - 22% increase vs. Q3 2017
- ✓ Adjusted EPS[1] of U.S.$0.10 - in line with consensus



- ✓ Design / construction agreements finalized for CSP
- ✓ Ministerial approval for Blue Hill - 177 MW wind
- ✓ Construction underway at CalPeco solar project



- ✓ Advancing renewable natural gas / infrastructure initiatives
- ✓ Closing on additional 16.5% of Atlantica expected shortly
- ✓ Important milestone for Peruvian transmission development

1. Please see Disclaimer on Non-GAAP Financial Measures on page 2 of this presentation, and Appendix - Reconciliation of non-GAAP Financial Measures beginning on page 12 of this presentation.

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Q3 2018 Financial Performance















Financial Performance

All figures are in USD millions except per share data	Third Quarter ended September 30,		
	2018	2017	Change
Adjusted EBITDA[1]	164.2	157.7	4%
Adjusted net earnings[1]	49.7	52.0	(4%)
Per share	0.10	0.13	(23%)
Adjusted funds from operations[1]	127.7	104.3	22%
Revenue	366.5	353.7	4%
Cash Flows from Operating Activities	131.5	98.4	34%
Dividend per share	0.1282	0.1165	10%

New facilities, cooling demand offset weak hydro and rate impacts

- **Generating fleet growth offset weaker hydro conditions and HLBV adjustment**
- **Strong cooling demand within electric utility**

1. Please see Disclaimer on Non-GAAP Financial Measures on page 2 of this presentation, and Appendix - Reconciliation of non-GAAP Financial Measures beginning on page 12 of this presentation.

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Update















Peek: Investor Day Confirms Opportunities for Long-Term Growth

Value Through Operational Excellence

- Customer centricity provides path to rate base growth
- Operational excellence critical success factor in renewable energy business
- Regulatory mechanisms enhance predictability



Expanded "Greening the Fleet" Opportunity

- Low cost renewables continue to provide customer value
- Energy storage makes a 100% renewable utility a reality
- Renewable natural gas extends the sustainability story



Sustainability Makes for Good Business

- Expanding wind and solar project pipeline driven from falling price of renewable energy
- Utility resiliency and grid modernization opportunities drive continued increase in our 5 year utility capital plan



Continuing to Deliver Shareholder Returns

- Focused on delivering:
  - Industry leading EPS growth over 5 year planning horizzon
  - Earnings growth will create shareholder value and provide dividend flexibility



2018 Investor Days – Toronto and New York

Algonquin Power & Utilities Corp. will be hosting an Investor Day in Toronto and New York For Institutional Investors and Financial Analysts

To RSVP: investorrelations@apucorp.com

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Analyst & Investor Day

Please save the date

Full schedule and detailed invitation to follow

Tuesday, December 4, 2018

8:30 a.m. – 11:30 a.m.

Vantage Venues

150 King Street West, 16th Floor
Toronto, Ontario



ALGONQUIN Power & Utilities Corp.

Analyst & Investor Day

Please save the date

Full schedule and detailed invitation to follow

Wednesday, December 5, 2018

8:30 a.m. – 11:30 a.m.

Gibson, Dunn & Crutcher LLP

200 Park Avenue (Met Life Building)
46th Floor, New York, New York



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Appendix – Reconciliation of Non-GAAP Financial Measures















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. The following table shows the reconciliation of net earnings to Adjusted EBITDA exclusive of these items:

	Three Months Ended Sept 30		Nine Months Ended Sept 30	
(all dollar amounts in USD millions, except per share data)	**2018**	**2017**	**2018**	**2017**
Net earnings attributable to shareholders	**$57.9**	$47.7	**$141.0**	$102.3
Add (deduct):				
Net earnings attributable to non-controlling interest, exclusive of HLBV	**0.3**	0.5	**1.4**	1.8
Income tax expense	**10.7**	11.7	**50.6**	43.7
Interest expense on Conv. Debs & acquisition financing costs	**—**	—	**—**	13.4
Interest expense on long-term debt and others	**37.9**	36.4	**111.8**	109.1
Other losses (gains)	**2.0**	0.6	**0.4**	(3.1)
Acquisition-related costs	**1.0**	0.8	**9.6**	46.7
Change in value of investment in Atlantica carried at fair value	**(10.1)**	—	**91.9**	—
Costs related to tax equity financing	**—**	1.0	**—**	1.4
Loss on derivative financial instruments	**0.7**	—	**0.9**	1.2
Realized gain (loss) on energy derivative contracts	**—**	—	**—**	(0.6)
Loss (gain) on foreign exchange	**0.3**	2.1	**(0.8)**	(0.9)
Depreciation and amortization	**63.5**	56.9	**196.9**	182.1
Adjusted EBITDA	**$164.2**	$157.7	**$603.7**	$497.1

NON-GAAP FINANCIAL MEASURES

Reconciliation of Adjusted Net Earnings 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 Net Earnings 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.

The following table shows the reconciliation of net earnings to Adjusted Net Earnings exclusive of these items:

	Three Months Ended Sept 30		Nine Months Ended Sept 30	
(all dollar amounts in USD millions, except per share data)	**2018**	**2017**	**2018**	**2017**
Net earnings attributable to shareholders	**$57.9**	$47.7	**$141.0**	$102.3
Add (deduct):				
Loss on derivative financial instruments	**0.7**	—	**0.9**	1.2
Realized gain on derivative financial instruments	**—**	—	**—**	(0.6)
Other losses (gains)	**0.3**	0.6	**(1.1)**	(3.0)
Loss (gain) on foreign exchange	**0.3**	2.1	**(0.8)**	(0.9)
Interest expense on Conv. Debs & acquisition financing costs	**—**	—	**—**	13.4
Acquisition-related costs	**1.0**	0.8	**9.6**	46.7
Change in value of investment in Atlantica carried at fair value	**(10.1)**	—	**91.9**	—
Costs related to tax equity financing	**—**	1.0	**—**	1.4
Adjustment for taxes related to above	**(0.4)**	(0.2)	**0.1**	(2.5)
Adjusted Net Earnings	**$497**	$52.0	**$241.6**	$158.0
Adjusted Net Earnings per share[1]	**$0.10**	$0.13	**$0.52**	$0.41

1 Per share amount calculated after preferred share dividends.

NON-GAAP FINANCIAL MEASURES

Reconciliation of Adjusted Funds from Operations to Cash Flows from Operating Activities

The following table is derived from and should be read in conjunction with the consolidated statement of operations and consolidated statement of cash flows. This supplementary disclosure is intended to more fully explain disclosures related to Adjusted Funds from Operations 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 funds from operations in accordance with U.S. GAAP.

The following table shows the reconciliation of funds from operations to Adjusted Funds from Operations exclusive of these items:

	Three Months Ended Sept 30		Nine Months Ended Sept 30	
(all dollar amounts in USD millions)	**2018**	**2017**	**2018**	**2017**
Cash flows from operating activities	**$131.5**	$98.4	**$361.7**	$210.6
Add (deduct):				
Changes in non-cash operating items	**(4.8)**	5.1	**35.4**	78.7
Production based cash contributions from non-controlling interests	**—**	—	**13.9**	7.9
Interest expense on Conv. Debs & acquisition financing costs[1]	**—**	—	**—**	7.2
Acquisition-related costs	**1.0**	0.8	**9.6**	46.7
Reimbursement of operating expenses incurred on joint venture	**—**	—	**1.0**	—
Adjusted Funds from Operations	**$127.7**	$104.3	**$421.60**	$351.1

[1] Exclusive of deferred financing fees of $6.2 million in 2017.

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$10.52
Market Capitalization	US$5.0 Billion

*Shares o/s as of Sept. 30, 2018 and price as of November 7, 2018.

Contact Information

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