

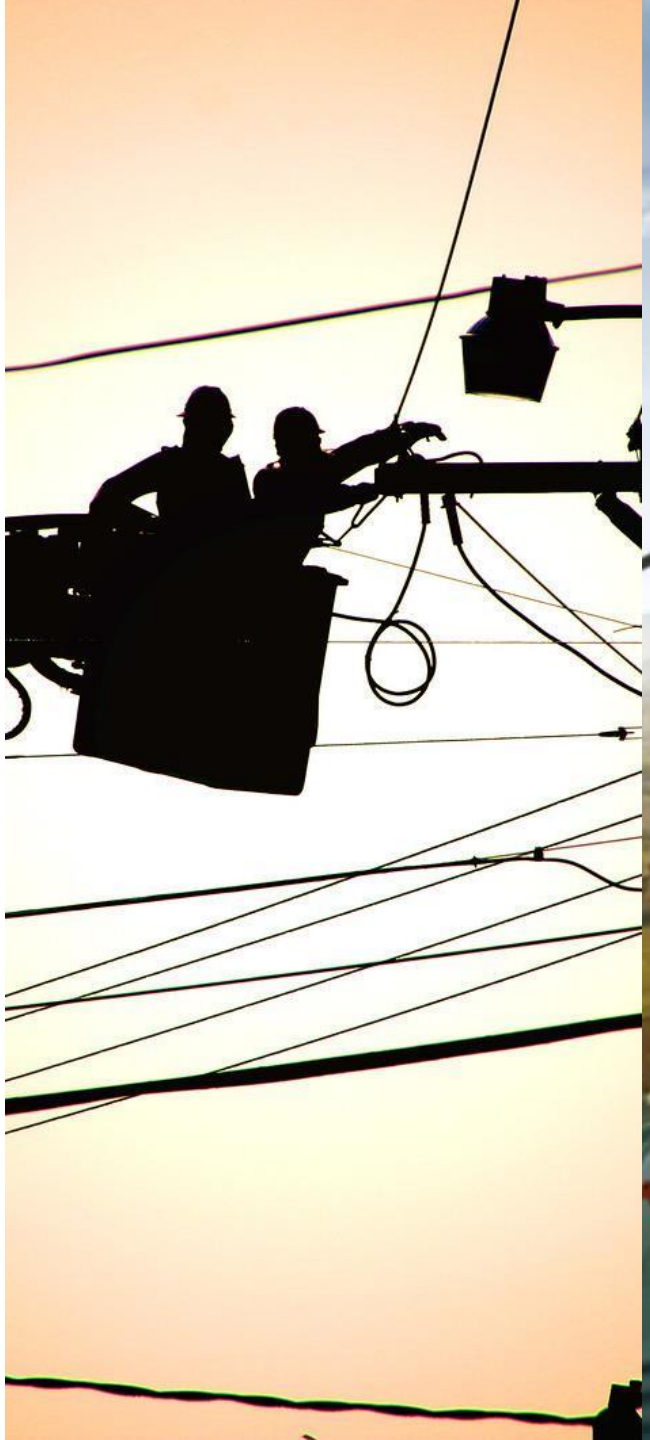
Q1 2019

EARNINGS CONFERENCE CALL

May 10, 2019

10:00 a.m. ET

ALGONQUIN Power & Utilities Corp.





DISCLAIMERS

FORWARD-LOOKING STATEMENTS

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 undertakes no obligation 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 net earnings per share" ("Adjusted EPS"), "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 they may not be comparable to similar measures presented by other companies. For a reconciliation of the Financial Measures used in the presentation to their corresponding GAAP measures, please see the Appendix - Reconciliation of non-GAAP Financial Measures beginning on page 11 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.

SPEAKERS AND AGENDA



Ian Robertson
Chief Executive Officer



Chris Jarratt
Vice Chair



David Bronicheski
Chief Financial Officer

➢ **Introductory Remarks**	**Chris Jarratt**
➢ **Q1 2019 Strategic Achievements**	**Ian Robertson**
➢ **Q1 2019 Financial Highlights**	**David Bronicheski**
➢ **Update on our Strategic Plan**	**Ian Robertson**

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STRATEGIC HIGHLIGHTS



- ✓ Adjusted EBITDA[1] of $231.5 million
- ✓ Adjusted EPS[1] of $0.19
- ✓ 10% increase in common share dividend commencing with Q2 dividend



- ✓ Advancement of the Customer Savings Plan
- ✓ Granite Bridge natural gas pipeline project progressing
- ✓ Secured $6 million increase in annual revenue requirement



- ✓ Uruguay transmission project added to international portfolio
- ✓ Investment in San Antonio Water pipeline development completed
- ✓ Partnership with Fortis for Wataynikaneyap transmission line finalized

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 11 of this presentation.*

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FINANCIAL PERFORMANCE



ALGONQUIN Power & Utilities Corp.

FINANCIAL PERFORMANCE

All figures are in U.S. $ millions except per share data	Quarter Ended March 31 2019	2018	Variance
Revenue	477.2	494.8	-4%
Net earnings attributable to shareholders	86.4	17.6	391%
Per share	0.17	0.04	325%
Adjusted net earnings[1]	93.8	141.0	-33%
Per share	0.19	0.32	-41%
Adjusted EBITDA[1]	231.5	279.6	-17%
Adjusted Funds from Operations[1]	173.5	179.9	-4%
Dividend per share	0.1282	0.1165	10%

Comparison to Q1 results impacted by Tax Reform, weak resource conditions

- **One-time Tax Reform adjustment accelerated income in Q1 '18**
- **Q1 '19 renewables resources below average, while Q1 '18 above**

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 11 of this presentation.*

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ADVANCING OUR STRATEGIC PLAN

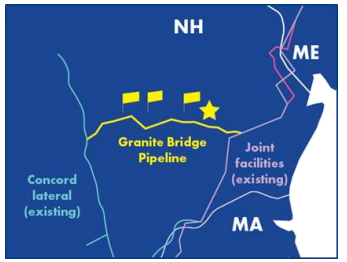
Progress on "Customer Savings Plan"

- Filed non-unanimous stipulation agreement in Missouri
- Contractual arrangements for construction almost finalized
- Commencement of construction pending receipt of CC&N, expected Q2 2019



Granite Bridge Approvals Pending

- Updated information submitted to NHPUC in April
- Hearings likely to resume in October 2019
- Development activities ongoing, with refined engineering underway



Gas Utility Acquisitions Nearing Completion

- New Brunswick Gas – Regulatory progressing well; closing expected in Q3 2019
- St. Lawrence Gas – Approval on schedule; closing expected in Q3 2019
- Both acquisitions expected to make earnings contributions in 2019



Advancing Development Initiatives

- Successful proponent for 80km electric transmission infrastructure in Uruguay
- San Antonio water pipeline development project progressing towards 2020 COD
- Renewable wind and solar projects progressing



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APPENDIX

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES



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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.

	Three Months Ended March 31	
(all dollar amounts in U.S. $ millions)	**2019**	**2018**
Net earnings attributable to shareholders	$86.4	$17.6
Add (deduct):		
Net earnings attributable to non-controlling interest, exclusive of HLBV	7.6	0.7
Income tax expense	14.8	33.1
Interest expense on long-term debt and others	42.6	35.5
Other losses (gains)	0.6	(1.2)
Acquisition-related costs	1.9	7.6
Pension and post-employment non-service costs	1.3	0.4
Change in value of investment in Atlantica carried at fair value	5.8	117.0
Loss on derivative financial instruments	0.2	0.1
Realized loss on energy derivative contracts	(0.2)	—
Loss (gain) on foreign exchange	(0.5)	0.2
Depreciation and amortization	71.0	68.6
Adjusted EBITDA	**$231.5**	**$279.6**

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 consolidated net earnings in accordance with U.S. GAAP.

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

	Three Months Ended March 31	
(all dollar amounts in U.S. $ millions, except per share data)	**2019**	**2018**
Net earnings attributable to shareholders	$86.4	$17.6
Add (deduct):		
Loss on derivative financial instruments	0.2	0.1
Realized loss on energy derivative contracts	(0.2)	—
Loss (gain) on long-lived assets, net	0.2	(1.2)
Loss (gain) on foreign exchange	(0.5)	0.2
Acquisition-related costs	1.9	7.6
Change in value of investment in Atlantica carried at fair value	5.8	117.0
Adjustment for taxes related to above	—	(0.3)
Adjusted Net Earnings	**$93.8**	**$141.0**
Adjusted Net Earnings per share[1]	**$0.19**	**$0.32**

1. Per share amount calculated after preferred share dividends and excluding subscription receipts issued for projects or acquisitions not reflected in earnings.

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 March 31	
(all dollar amounts in U.S. $ millions)	**2019**	**2018**
Cash flows from operating activities	$122.1	$97.0
Add (deduct):		
Changes in non-cash operating items	45.9	63.0
Production based cash contributions from non-controlling interests	3.6	11.3
Acquisition-related costs	1.9	7.6
Reimbursement of operating expenses incurred on joint venture	—	1.0
Adjusted Funds from Operations	**$173.5**	**$179.9**

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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*	492,928,746
Share Price*	U.S. $11.29
Market Capitalization	U.S. $5.6 B
Dividend**	U.S.$0.5640 per share annually

* Shares outstanding as of April 30, 2019 and price (NYSE) as of May 8, 2019.
** Annualized using Q2 2019 dividend rate.

Contact Information

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