

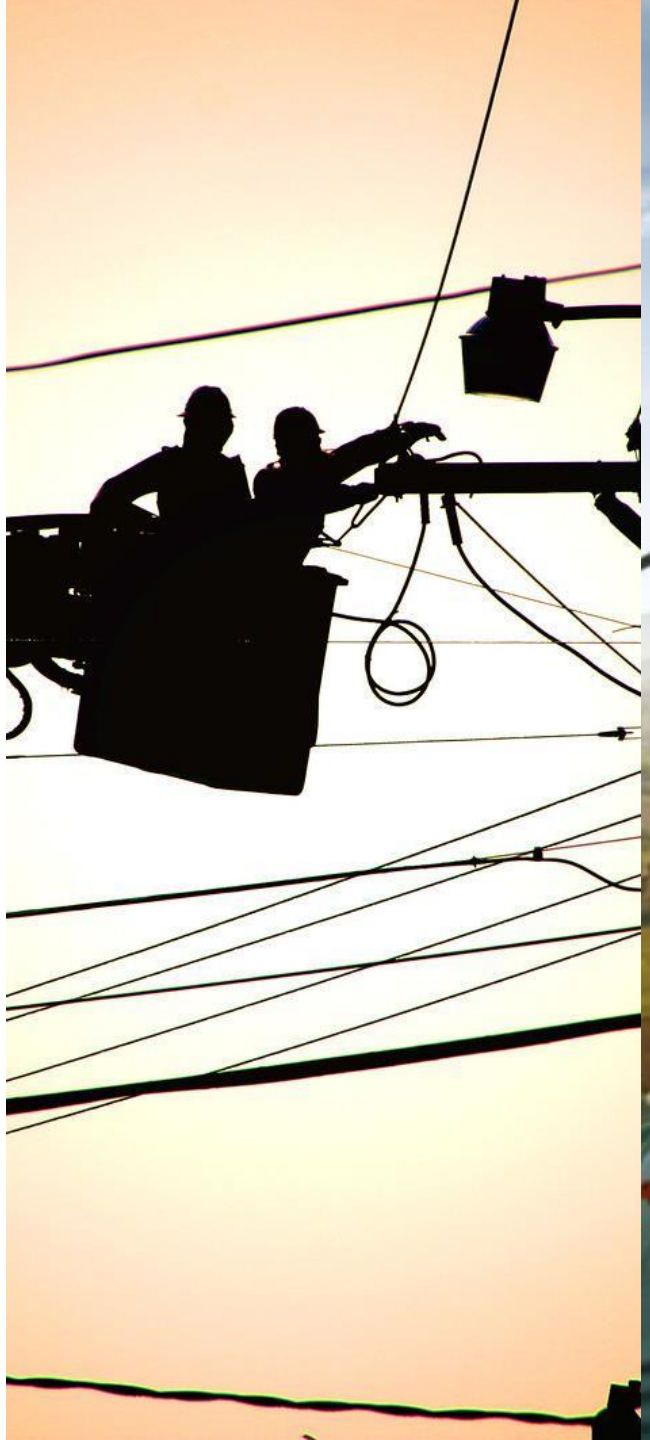
Q3 2019

EARNINGS CONFERENCE CALL

November 8, 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, ongoing and planned acquisitions, projects and initiatives, including expectations regarding costs, financing, results, and completion and closing dates, 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 annual and interim 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 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.

All dollar amounts presented in U.S. $ unless otherwise noted

SPEAKERS AND AGENDA



Ian Robertson
Chief Executive Officer



Chris Jarratt
Vice Chair



David Bronicheski
Chief Financial Officer

Introductory Remarks……	**Chris Jarratt**
Q3 2019 Strategic Achievements……	**Ian Robertson**
Q3 2019 Financial Highlights……	**David Bronicheski**
Update on our Strategic Plan……	**Ian Robertson**

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ALGONQUIN Power & Utilities Corp.

STRATEGIC ACHIEVEMENTS

✓ Strong Financial Performance Supports Growth in Dividend

- Adjusted EBITDA[1] of $186.9 million – a 13% year-over-year increase
- Adjusted EPS[1] of $0.14 – a 40% year-over-year increase
- Quarterly dividend of $0.1410 – a 10% year-over-year increase

✓ Recent Announcements Support Growth Profile

- Completion of utility acquisitions adds 30,000 new customers
- Construction commenced on 490 MW Maverick Creek Wind project
- $350 million common equity offering to fund growth

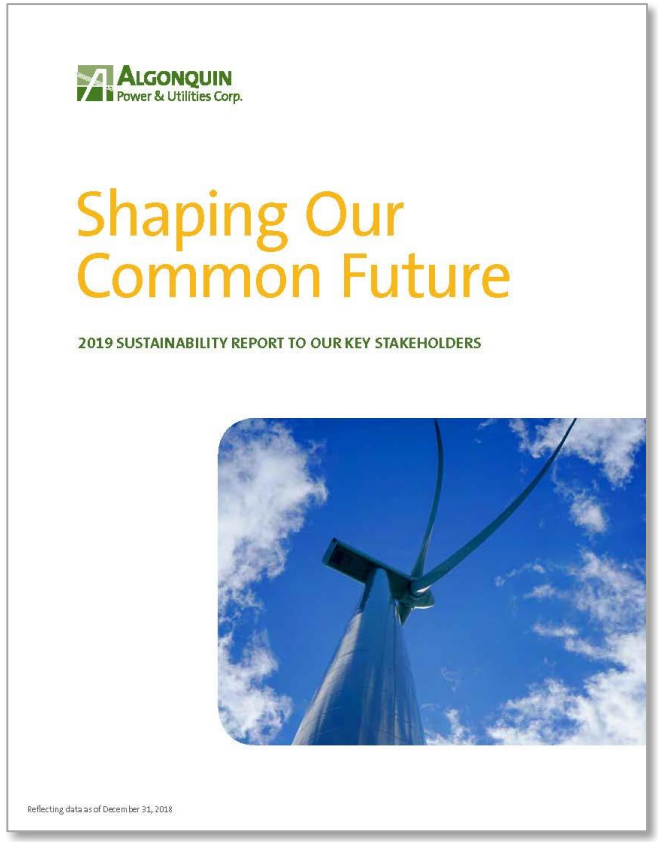






1. *Please see Disclaimer on Non-GAAP Financial Measures on page 2 of this presentation, and Appendix - Reconciliation of non-GAAP Financial Measures beginning on page 12 of this presentation.*

2019 SUSTAINABILITY REPORT



- Identifies ESG factors significant to APUC
- Conveys sustainability track record and future focus
- References both SASB and GRI approaches
- Outlines ESG goals to be achieved by 2023

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FINANCIAL PERFORMANCE



ALGONQUIN Power & Utilities Corp.

FINANCIAL PERFORMANCE

All figures are in $ millions except per share data	Quarter Ended September 30		
	2019	**2018**	**Variance**
Revenue	365.6	366.2	-
Net earnings attributable to shareholders	115.8	57.9	100%
Per share	0.23	0.12	92%
Adjusted net earnings[1]	69.2	49.7	39%
Per share	0.14	0.10	40%
Adjusted EBITDA[1]	186.9	165.5	13%
Adjusted Funds from Operations[1]	120.1	127.9	(6%)
Dividend per share	0.1410	0.1282	10%

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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ALGONQUIN
Power & Utilities Corp.

ADVANCING OUR STRATEGIC PLAN

$1.7 B Non-regulated renewable energy pipeline

- Construction underway on ~600 MW of non-regulated renewable energy projects
- Targeting COD in 2020 to capitalize on PTCs

$5.3 B Regulated utility capital initiatives

- Commencing construction on 600 MW Midwest wind projects
- $44.4 million in pending rate reviews

$0.5 B International investment opportunities

- “Greening the Fleet” plans being developed for Bermuda Electric Light Company
- Acquisition expected to close in early 2020

On track to deploy $7.5 B of capital through 2023

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Upcoming Events

Nov 14th



Sustainability Day

8:15 a.m. – 11:30 a.m.
APUC Head Office

Dec 3rd



Toronto Investor Day

8:00 a.m. – 11:30 a.m.
St. Andrew's Club & Conference Centre

Dec 6th



New York Investor Day

8:00 a.m. – 11:30 a.m.
The Westin New York at Times Square

Please R.S.V.P. to InvestorRelations@APUCorp.com

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APPENDIX

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

ALGONQUIN Power & Utilities Corp.

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 September 30		Nine months ended September 30	
(all dollar amounts in $ millions)	**2019**	**2018**	**2019**	**2018**
Net earnings attributable to shareholders	**$ 115.8**	$ 57.9	**$ 358.8**	$ 141.0
Add (deduct):				
Net earnings attributable to the non-controlling interest, exclusive of HLBV [1]	**7.6**	0.3	**22.8**	1.4
Income tax expense	**22.0**	10.7	**57.6**	50.6
Interest expense on long-term debt and others	**45.7**	37.9	**134.1**	111.8
Other losses	**2.9**	2.0	**8.9**	0.4
Acquisition-related costs	**2.8**	1.0	**5.2**	9.6
Pension and post-employment non-service costs	**5.0**	1.3	**10.0**	1.6
Change in value of investments carried at fair value	**(64.4)**	(10.1)	**(180.0)**	91.9
Loss (gain) on derivative financial instruments	**(15.4)**	0.7	**(15.6)**	0.9
Realized loss on energy derivative contracts	**—**	—	**(0.2)**	—
Loss (gain) on foreign exchange	**(0.9)**	0.3	**0.1**	(0.8)
Depreciation and amortization	**$ 65.8**	$ 63.5	**$ 206.6**	$ 196.9
Adjusted EBITDA	**$ 186.9**	$ 165.5	**$ 608.3**	$ 605.3

1. HLBV represents the value of net tax attributes earned during the period primarily from electricity generated by certain U.S. wind power and U.S. solar generation facilities. HLBV earned in the three and nine months ended September 30, 2019 amounted to $12.0 million and $49.0 million as compared to $5.5 million and $96.8 million during the same period in 2018. In the first quarter of 2018, a one-time acceleration of HLBV income in the amount of $55.9 million was recorded as a result of U.S. Tax Reform. Excluding the one-time acceleration of HLBV due to U.S. Tax Reform, Adjusted EBITDA increased by $58.9 million year over year.

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 September 30		Nine months ended September 30	
(all dollar amounts in $ millions except per share information)	**2019**	**2018**	**2019**	**2018**
Net earnings attributable to shareholders	**$ 115.8**	$ 57.9	**$ 358.8**	$ 141.0
Add (deduct):				
Loss on derivative financial instruments [1]	**0.5**	0.7	**0.2**	0.9
Realized loss on derivative financial instruments	**—**	—	**(0.2)**	—
Loss (gain) on long-lived assets	**3.1**	0.3	**9.0**	(1.1)
Loss (gain) on foreign exchange	**(0.9)**	0.3	**0.1**	(0.8)
Acquisition-related costs	**2.8**	1.0	**5.2**	9.6
Change in value of investments carried at fair value	**(64.4)**	(10.1)	**(180.0)**	91.9
Adjustment for taxes related to above	**12.3**	(0.4)	**24.6**	0.1
Adjusted Net Earnings	**$ 69.2**	$ 49.7	**$ 217.7**	$ 241.6
Adjusted Net Earnings per share	**$ 0.14**	$ 0.10	**$ 0.43**	$ 0.52

1. Excludes the gain related to the discontinuation of hedge accounting on an energy hedge put in place early in the development of the Sugar Creek Wind Project.

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 September 30		Nine months ended September 30	
(all dollar amounts in $ millions)	**2019**	**2018**	**2019**	**2018**
Cash flows from operating activities	**$ 188.1**	$ 131.5	**$ 443.8**	$ 361.7
Add (deduct):				
Changes in non-cash operating items	**(70.8)**	(4.6)	**(30.5)**	35.4
Production based cash contributions from non-controlling interests	**—**	—	**3.6**	13.9
Acquisition-related costs	**2.8**	1.0	**5.2**	9.6
Reimbursement of operating expenses incurred on joint venture	**—**	—	**—**	1.0
Adjusted Funds from Operations	**$ 120.1**	$ 127.9	**$ 422.1**	$ 421.6

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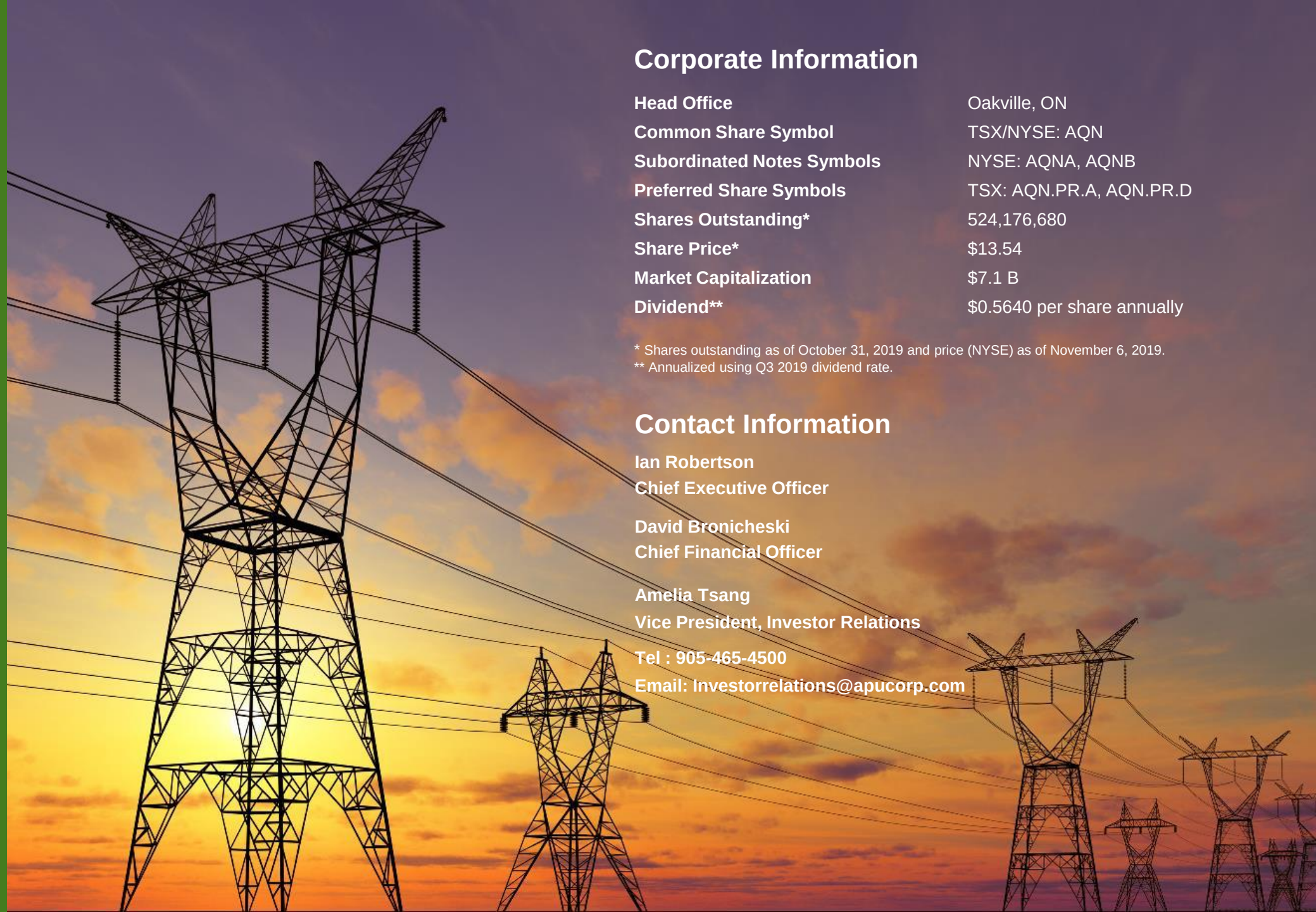

Corporate Information

Head Office	Oakville, ON
Common Share Symbol	TSX/NYSE: AQN
Subordinated Notes Symbols	NYSE: AQNA, AQNB
Preferred Share Symbols	TSX: AQN.PR.A, AQN.PR.D
Shares Outstanding*	524,176,680
Share Price*	$13.54
Market Capitalization	$7.1 B
Dividend**	$0.5640 per share annually

* Shares outstanding as of October 31, 2019 and price (NYSE) as of November 6, 2019.
** Annualized using Q3 2019 dividend rate.

Contact Information

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