

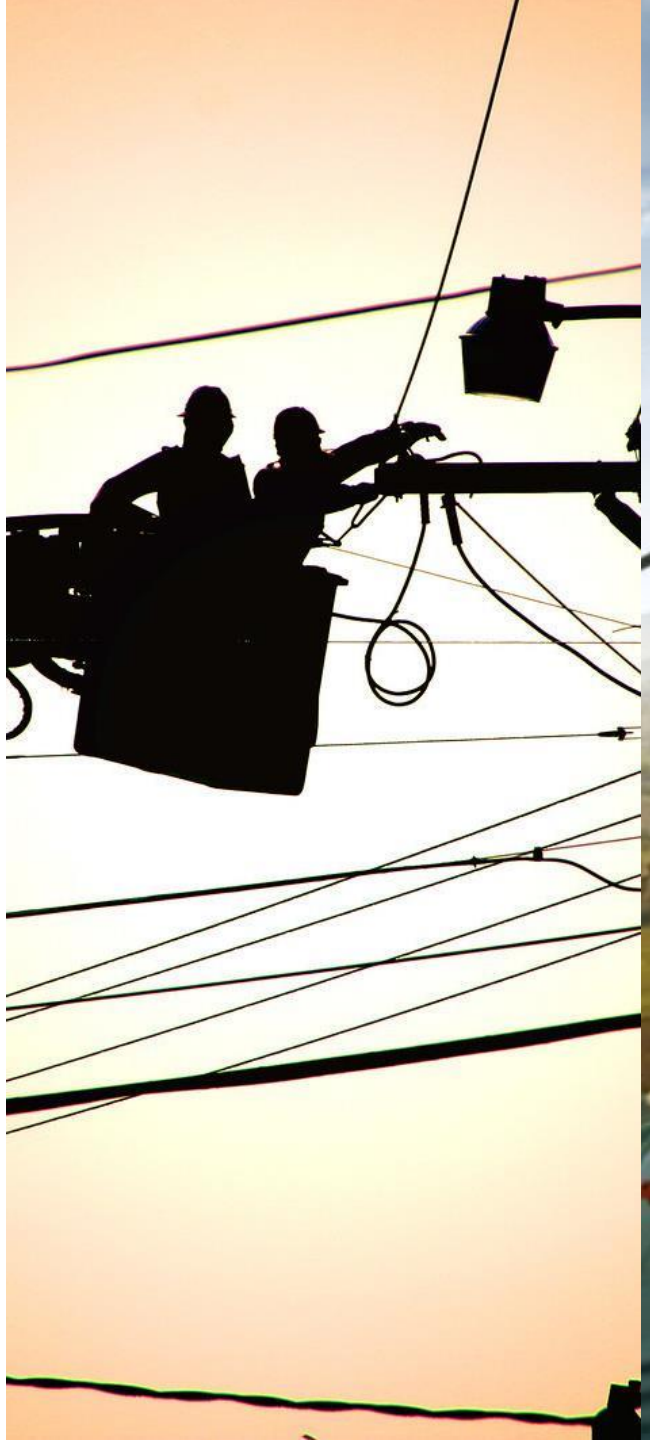
Q1 2020

EARNINGS CONFERENCE CALL

May 8, 2020

10:00 a.m. ET

ALGONQUIN Power & Utilities Corp.





FORWARD-LOOKING STATEMENTS

Certain written and oral statements contained or made in this presentation and discussion constitute “forward-looking information” within the meaning of applicable securities laws in each of the provinces of Canada and the respective policies, regulations and rules under such laws and “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 (collectively, “forward-looking statements”). The words “will”, “expects”, “intends” and similar expressions are often intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Specific forward-looking statements in this presentation and discussion include, but are not limited to: expectations regarding the performance of the assets and business of Algonquin Power & Utilities Corp. (“APUC” or the “Company”); expectations with respect to the timing and amounts of APUC's growth plans, earnings, cash flow and dividend amounts; expectations regarding APUC’s liquidity position; expectations regarding APUC’s Adjusted Net Earnings per share for the 2020 fiscal year; and expectations and plans with respect to current and planned capital projects and expenditures. These statements are based on factors or assumptions that were applied in drawing a conclusion or making a forecast or projection, including assumptions based on historical trends, current conditions and expected future developments. Since forward-looking statements relate to future events and conditions, by their very nature they require making assumptions and involve inherent risks and uncertainties. APUC cautions that although it is believed that the assumptions are reasonable in the circumstances, these risks and uncertainties give rise to the possibility that actual results may differ materially from the expectations set out in the forward-looking statements. Material risk factors and assumptions include those set out in APUC’s most recent annual and interim Management Discussion & Analysis and Annual Information Form. Given these risks, undue reliance should not be placed on these forward-looking statements, which apply only as of their dates. Other than as specifically required by law, APUC undertakes no obligation to update any forward-looking statements to reflect new information, subsequent 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”, "net energy sales", "net utility sales" and “divisional operating profit” (together the “Financial Measures”) may be used in this presentation and discussion. The Financial Measures are not recognized measures under U.S. GAAP. There is no standardized measure of the Financial Measures, consequently APUC’s method of calculating the Financial Measures may differ from methods used by other companies and therefore they may not be comparable to similar measures presented by other companies. A calculation and analysis of the Financial Measures, including a reconciliation to the U.S. GAAP equivalent, where applicable, can be found in APUC’s most recent Management Discussion & Analysis. A reconciliation of certain of the Financial Measures used in the presentation to their corresponding U.S. GAAP measures can also be found in Appendix - Reconciliation of Non-GAAP Financial Measures beginning on page 16 of this presentation.

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

SPEAKERS AND AGENDA



Ian Robertson
Chief Executive Officer



Chris Jarratt
Vice Chair



Arun Banskota
President



David Bronicheski
Chief Financial Officer

Introductory Remarks……	**Chris Jarratt**
Q1 2020 Strategic Achievements……	**Ian Robertson**
Impacts of COVID-19……	**Arun Banskota**
Q1 2020 Financial Highlights……	**David Bronicheski**
Update on our Strategic Plan……	**Ian Robertson**

Q1 2020

Q1 2020

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NAVIGATING THE IMPACT OF COVID-19



Serving our Customers

- ✓ Providing safe and reliable essential services
- ✓ Maintaining uninterrupted utility operations
- ✓ Suspending service disconnections



Supporting our Communities

- ✓ Waiving late payment charges and suspending collection activities
- ✓ $500,000 donation to support organizations within our communities
- ✓ Donating 25,000 masks to help local COVID heroes



Protecting our Employees

- ✓ Implementing “work from home” policies where possible
- ✓ Adopting social distancing requirements and restricting travel
- ✓ Supplying customer-facing and front-line employees with PPE

STRATEGIC ACHIEVEMENTS

✓ Financial Performance Supports Growth in Dividend

- Adjusted EBITDA[1] of $242.2 million – a 5% year-over-year increase
- Adjusted EPS[1] of $0.19 – no change year-over-year

✓ Annual Common Share Dividend Increase of 10%

- Tenth consecutive year of dividend growth

✓ Recent Advancements in Growth Initiatives

- Seamless transition of recent gas utility acquisitions into operations
- Advancement of BELCO regulatory process
- New York American Water transaction continues to progress



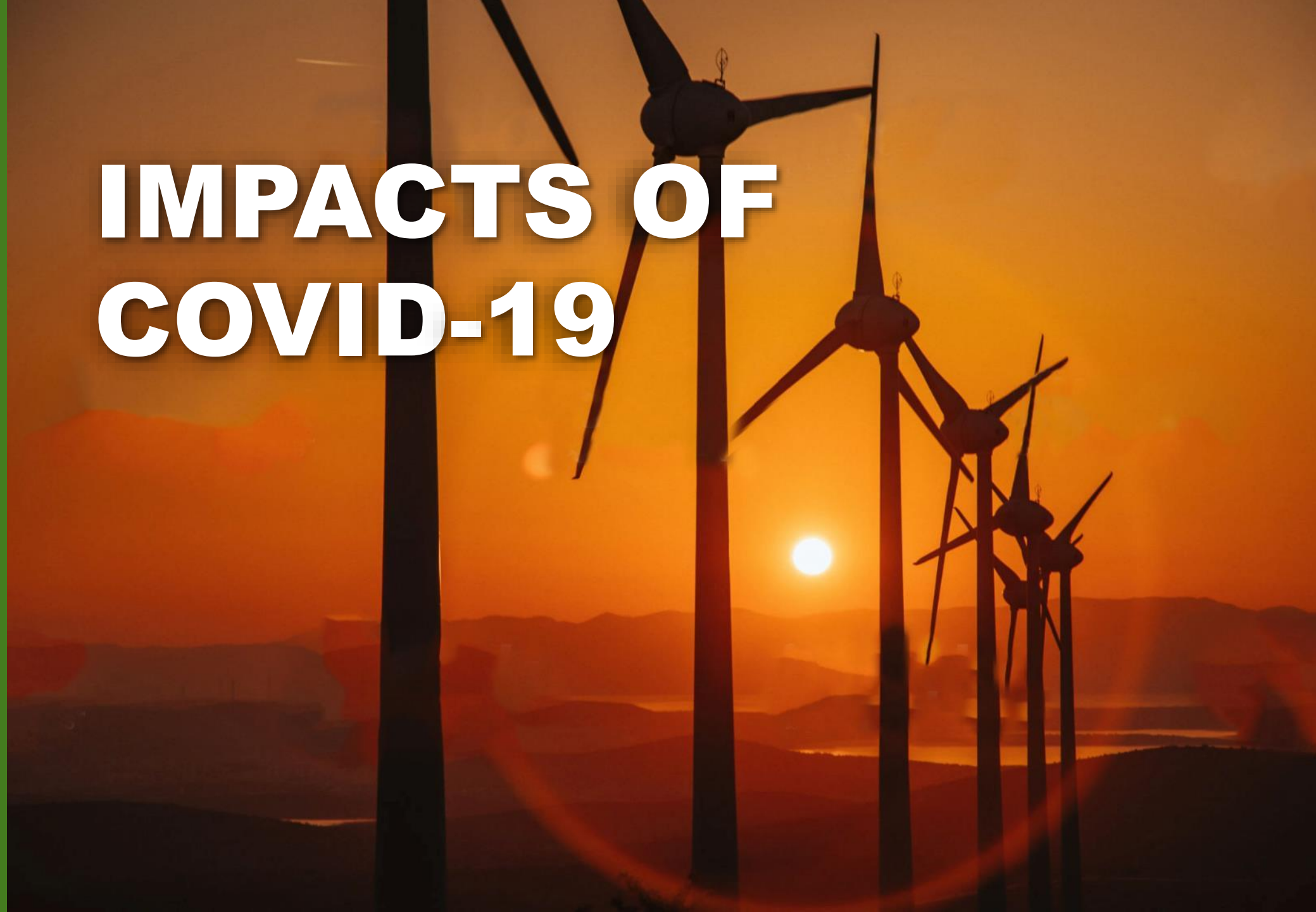




1. *Please see "Non-GAAP Financial Measures" on page 2 of this presentation, and Appendix - Reconciliation of non-GAAP Financial Measures beginning on page 16 of this presentation.*

Q1 2020

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COVID-19 RESPONSE AND IMPACT

Quick and Effective Response

- Business Continuity Plans ensure continuation of services
- No issues in delivery of mission-critical services to customers
- Implemented physical distancing protocols
- No material COVID-19 related inefficiencies during Q1



Modest Operational Effects

- Higher accounts receivable due to curtailing disconnections
- Monitoring changes in consumption patterns
- Cost reduction strategies to mitigate weather impacts
- Regulatory proceedings remain on course



Q1 2020

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FINANCIAL PERFORMANCE



ALGONQUIN Power & Utilities Corp.

FINANCIAL PERFORMANCE

All figures are in $ millions except per share data	Quarter Ended March 31		
	2020	2019	Variance
Adjusted net earnings[1]	103.3	93.8	10%
Per share	0.19	0.19	--
Adjusted EBITDA[1]	242.2	231.5	5%
Adjusted Funds from Operations[1]	179.3	173.5	3%
Dividend per share	0.1410	0.1282	10%

1. *Please see "Non-GAAP Financial Measures" on page 2 of this presentation, and Appendix - Reconciliation of non-GAAP Financial Measures beginning on page 16 of this presentation.*

FINANCIAL UPDATES

Secured additional $1.6 billion of bank credit to support CapEx plan

Highly committed to maintaining credit metrics with target rating of BBB flat

Widening 2020 Adjusted EPS[1] guidance to $0.65 - $0.70



1. *Please see "Non-GAAP Financial Measures" on page 2 of this presentation, and Appendix - Reconciliation of non-GAAP Financial Measures beginning on page 16 of this presentation.*

Q1 2020

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ADVANCING OUR STRATEGIC PLAN

Majority of construction activities proceeding as planned

- Received force majeure from suppliers and contractors due to COVID-19
- Construction activities at major projects substantially on schedule to date
- Maverick Creek COD expected for early 2021
  - Turbines expected to qualify for 100% of the PTCs



Attaining sustainability goals

- Asbury plant retired as of March 1, 2020
  - Expected to reduce CO2 emissions by ~1 million metric tons per year

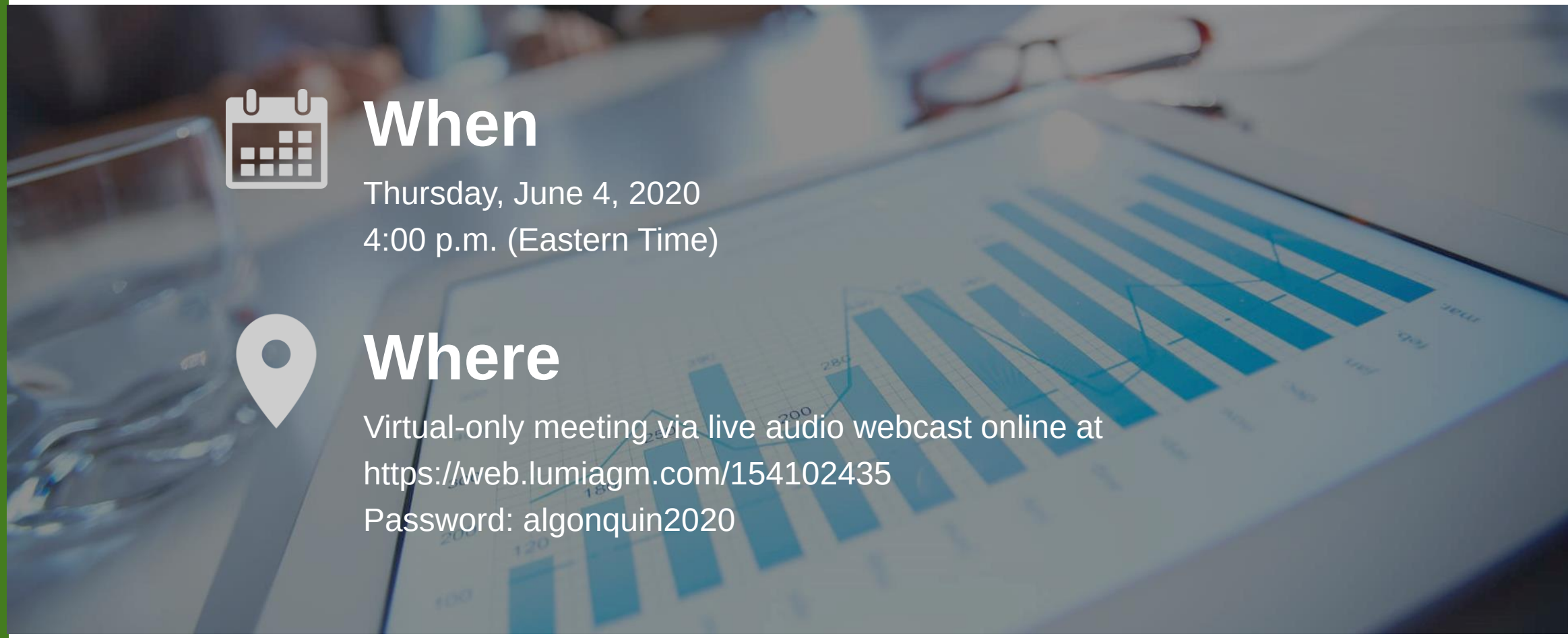
Shifting up to $300 million of 2020 capex into 2021

- Intended to lessen the financial and operational stresses of COVID-19
- No change to overall five-year, $9.2 billion capital plan

Committed to five-year, $9.2 billion capital investment program

Q1 2020

UPCOMING ANNUAL MEETING OF COMMON SHAREHOLDERS



When

Thursday, June 4, 2020
4:00 p.m. (Eastern Time)

Where

Virtual-only meeting via live audio webcast online at
https://web.lumiagm.com/154102435
Password: algonquin2020

Q1 2020

Q1 2020

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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.

(all dollar amounts in $ millions)	Three Months Ended March 31 2020	2019
Net earnings (loss) attributable to shareholders	**$ (63.8)**	$ 86.4
Add (deduct):		
Net earnings attributable to the non-controlling interest, exclusive of HLBV[1]	**4.4**	7.6
Income tax expense (recovery)	**(13.7)**	14.8
Interest expense on long-term debt and others	**46.2**	42.6
Other net losses	**4.3**	3.8
Change in value of investments carried at fair value[2]	**190.8**	5.8
Loss (gain) on derivative financial instruments	**(0.1)**	0.2
Realized loss on energy derivative contracts	**(0.1)**	(0.2)
Gain on foreign exchange	**(4.7)**	(0.5)
Depreciation and amortization	**78.9**	71.0
Adjusted EBITDA	**$ 242.2**	$ 231.5

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 months ended March 31, 2020 amounted to $19.9 million as compared to $21.1 million during the same period in 2019.

2 See *Note 6* in the unaudited interim consolidated financial statements.

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:

(all dollar amounts in $ millions except per share information)	Three Months Ended March 31 2020	2019
Net earnings (loss) attributable to shareholders	**$ (63.8)**	$ 86.4
Add (deduct):		
Loss (gain) on derivative financial instruments	**(0.1)**	0.2
Realized loss on energy derivative contracts	**(0.1)**	(0.2)
Other losses	**0.9**	0.2
Gain on foreign exchange	**(4.7)**	(0.5)
Acquisition-related costs	**—**	1.9
Change in value of investments carried at fair value[1]	**190.8**	5.8
Other non-recurring adjustments	**1.0**	—
Adjustment for taxes related to above	**(20.7)**	—
Adjusted Net Earnings	**$ 103.3**	$ 93.8
Adjusted Net Earnings per share	**$ 0.19**	$ 0.19

1 See *Note 6* in the unaudited interim consolidated financial statements.

Q1 2020

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.

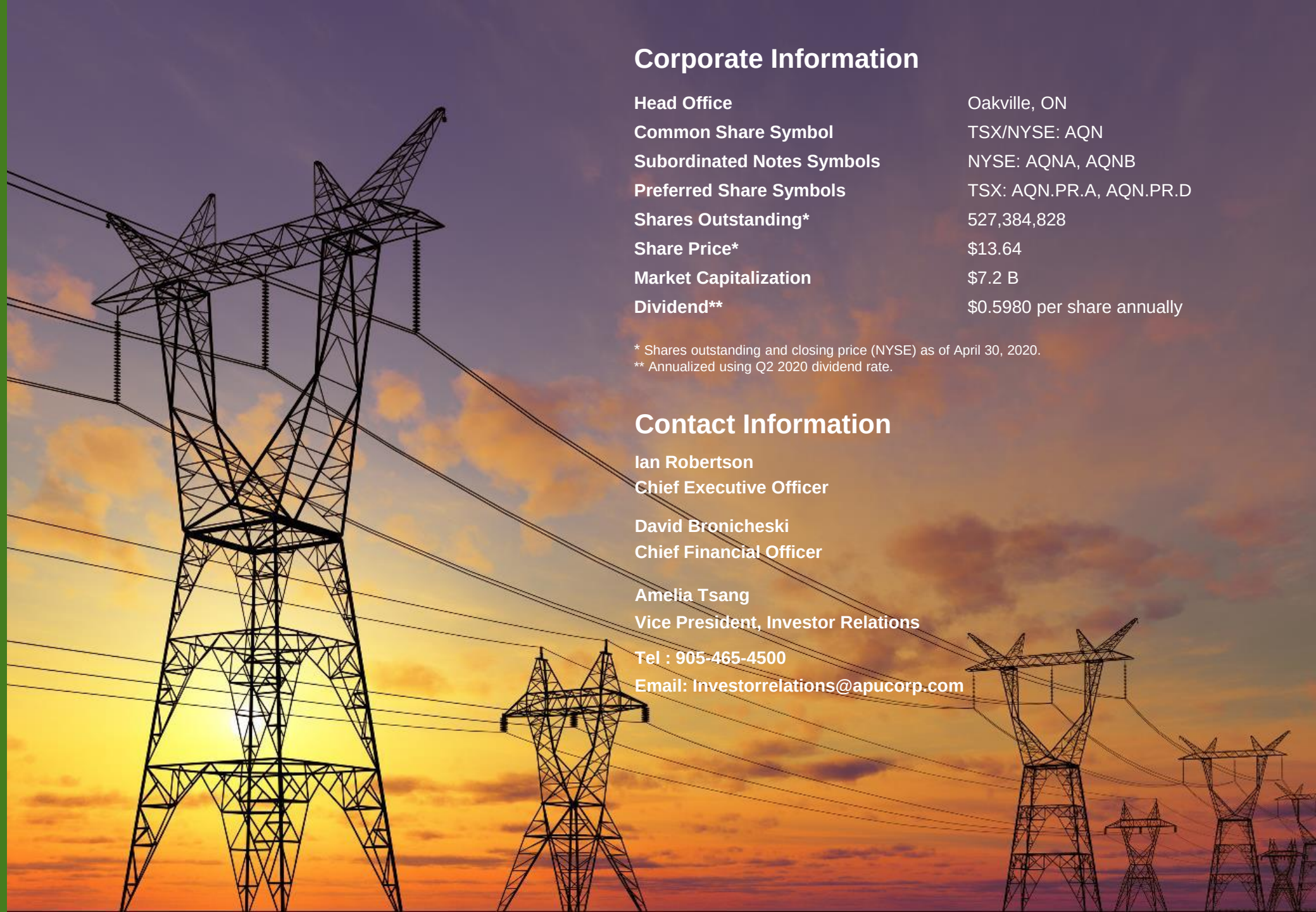
The following table shows the reconciliation of funds from operations to Adjusted Funds from Operations exclusive of these items:

	Three Months Ended March 31	
(all dollar amounts in $ millions)	2020	2019
Cash flows from operating activities	**$ 66.9**	$ 122.1
Add (deduct):		
Changes in non-cash operating items	**109.0**	45.9
Production based cash contributions from non-controlling interests	**3.4**	3.6
Acquisition-related costs	**—**	1.9
Adjusted Funds from Operations	**$ 179.3**	$ 173.5

Q1 2020

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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*	527,384,828
Share Price*	$13.64
Market Capitalization	$7.2 B
Dividend**	$0.5980 per share annually

* Shares outstanding and closing price (NYSE) as of April 30, 2020.
** Annualized using Q2 2020 dividend rate.

Contact Information

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