



Q1 2023

Earnings Conference Call

May 11, 2023

8:30 a.m. ET

Algonquin



Forward-Looking Statements

Certain written statements included herein and/or oral statements made in connection with the presentation contained herein constitute “forward-looking information” within the meaning of applicable securities laws in each of the provinces and territories 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”, “should”, “would”, “anticipates”, “projects”, “forecasts”, “plans”, “estimates”, “may”, “outlook”, “aims”, “pending”, “prospective”, “target”, “believes”, “could” (and grammatical variations of such terms) 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 contained in or made in connection with this presentation include, but are not limited to statements regarding: the expected performance of Algonquin Power & Utilities Corp. (“AQN”, “Algonquin” or the “Company”); the Company’s expected future growth, earnings (including 2023 Adjusted Net Earnings per common share), cash flows, debt and dividends; the strategic review of the Renewable Energy Group and the aims and expected timing thereof; capital expenditure and investment plans; development projects and the anticipated generation capacity and timing of construction activities and completion; the Company’s corporate development and growth initiatives and the results thereof; expectations regarding new common equity financings through 2024; credit ratings; and the Company’s environmental, social and governance goals, targets and initiatives (including the Company’s ability to achieve these goals, targets and initiatives and the Company’s expectations with respect thereto). 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 nature they rely on assumptions and involve inherent risks and uncertainties. AQN cautions that although it is believed that the assumptions are reasonable in the circumstances, 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 this presentation or contained in AQN’s Management Discussion and Analysis for the three months ended March 31, 2023 (the “Interim MD&A”), Management Discussion and Analysis for the year ended December 31, 2022 (the “Annual MD&A”), or Annual Information Form for the year ended December 31, 2022, each filed with securities regulatory authorities in Canada and the United States. 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, AQN undertakes no obligation to update any forward-looking statements to reflect new information, subsequent or otherwise.

Currency

In this presentation, unless otherwise specified or the context requires otherwise, all dollar amounts are expressed in U.S. dollars.

Non-GAAP Financial Measures

The terms “Adjusted Net Earnings”, “Adjusted Net Earnings per share” (or “Adjusted Net EPS”), “Adjusted earnings before interest, taxes, depreciation and amortization” (“Adjusted EBITDA”), “Adjusted Funds from Operations” (together, the “Non-GAAP Measures”) are used in this presentation and/or the related discussion. The Non-GAAP Measures are not recognized measures under U.S. GAAP. There is no standardized measure of the Non-GAAP Measures; consequently, AQN’s method of calculating the Non-GAAP Measures may differ from methods used by other companies and therefore they may not be comparable to similar measures presented by other companies. The Company believes that presentation of these measures will enhance an investor’s understanding of AQN’s operating performance. An explanation, calculation and analysis of the Non-GAAP Measures and a reconciliation to the most directly comparable U.S. GAAP measure, where applicable, can be found in the Interim MD&A under the headings “Caution Concerning Non-GAAP Measures” and “Non-GAAP Financial Measures”, which sections are incorporated by reference herein. AQN’s Interim MD&A is available on SEDAR at www.sedar.com and EDGAR at www.sec.gov/edgar. A reconciliation of the Non-GAAP Measures appearing in this presentation to the most directly comparable U.S. GAAP measure can also be found in Appendix - Non-GAAP Financial Measures beginning on page 15 of this presentation. AQN does not provide reconciliations for forward-looking non-GAAP financial measures as AQN is unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing or amount of various events that have not yet occurred, are out of AQN’s control and/or cannot be reasonably predicted, and that would impact the most directly comparable forward-looking U.S. GAAP financial measure. For these same reasons, AQN is unable to address the probable significance of the unavailable information. Forward-looking non-GAAP financial measures may vary materially from the corresponding U.S. GAAP financial measures.

Speakers and Agenda



Arun Banskota
President and
Chief Executive Officer



Darren Myers
Chief Financial Officer



Brian Chin
Vice President,
Investor Relations

Introductory Remarks.....	Brian Chin
Renewables Strategic Review.....	Arun Banskota
Q1 2023 Business Highlights.....	Arun Banskota
Q1 2023 Financial Highlights.....	Darren Myers

Q1 2023 Earnings Conference Call

Renewables Strategic Review

Algonquin

 Liberty™

Renewables Strategic Review Initiated

- AQN assets appear undervalued and the Company's cost of capital could be reduced
- Analysis of whether separating the Renewable Energy Group from the Regulated Services Group could create superior value
- Strategic Review Committee created by AQN Board of Directors
- External advisors retained, including J.P. Morgan
- Completion of review expected by Q2 2023 earnings call



Strategic Review of the Renewable Energy Group with Intent to Maximize Shareholder Value

Q1 2023 Highlights

✓ Significant Updates for Regulated Services and Renewable Energy Groups

- Mutual termination with AEP of Kentucky Power acquisition
- Deerfield II Wind Facility achieved full commercial operations
- Final rate case orders at California facilities with aggregate revenue increases of \$29.6 million












Regulated Services Group - Growth

Pending Rate Reviews

Utility	Jurisdiction	Regulatory Proceeding Type	Rate Request
St. Lawrence Gas	New York	General Rate Case	\$4.1 million
Pine Bluff Water	Arkansas	General Rate Case	\$5.9 million
Empire Electric	Arkansas	General Rate Case	\$7.3 million
New Brunswick Gas	Canada	General Rate Case	\$(0.6) million
Granite State Electric	New Hampshire	General Rate Case	\$15.5 million (permanent) \$6.7 million (temporary)
New York Water	New York	General Rate Case	\$39.7 million

Renewable Energy Group - Growth

Solar Projects	Anticipated Project Size	Site Preparation	Panels Installed	Status Towards Commissioning of Facility ³
Community Solar ¹	13 MW	100%	100%	
New Market Solar – Phase 1	35 MW	100%	70%	
New Market Solar – Phase 2	65 MW	100%	0%	
Chevron – Hayhurst, TX ²	25 MW	100%	100%	
Chevron – Hayhurst, NM ²	20 MW	100%	100%	
Carvers Creek	150 MW	5%	0%	
Clearview	144 MW	0%	0%	
Total	452 MW			

Wind Projects	Anticipated Project Size	Site Preparation	Turbines Erected	Status Towards Commissioning of Facility ³
Shady Oaks II	108 MW	100%	100%	
Sandy Ridge II	88 MW	70%	50%	
Total	196 MW			

1. Combines multiple projects.
2. Project co-owned with Chevron.
3. Judgmental estimate.

Q1 2023 Earnings Conference Call

Financial Update

Algonquin

 Liberty™



Financial Performance

	Three Months Ended March 31		
	2023	2022	Variance
<i>All figures are in \$ millions except per share data</i>			
Revenue	778.6	733.2	6%
Net earnings attributable to shareholders	270.1	91.0	197%
<i>Per share</i>	0.39	0.13	200%
Cash provided by operating activities	34.2	166.2	(79)%
Adjusted Net Earnings¹	119.9	141.2	(15)%
<i>Per share¹</i>	0.17	0.21	(19)%
Adjusted EBITDA¹	341.0	330.5	3%
Adjusted Funds from Operations¹	210.9	220.2	(4)%
Dividend per share	0.1085	0.1706	(36)%

1. Please see "Non-GAAP Financial Measures" on page 2 of this presentation, and Appendix - Non-GAAP Financial Measures beginning on page 15 of this presentation.

Financial Update – Capital Plan

- **Reaffirming 2023 Adjusted Net Earnings per share¹ estimate**
 - 2023 Adjusted Net Earnings per share estimated range of \$0.55 - \$0.61²
 - Calculated excluding impact of gains or losses on asset sales
- **Expected capital deployment of ~\$1 billion in 2023**
 - 70% Regulated, 30% Renewables
- **Committed to maintaining BBB investment-grade credit rating**
 - Ratings reaffirmed by S&P, Fitch, Moody's and DBRS
 - Improvement in Outlook from DBRS; removed from negative watch by S&P
- **Focused on Optimizing Balance Sheet and Financing Needs Transparency**
 - No new common equity issuances expected through 2024



1. Please see "Non-GAAP Financial Measures" on page 2 of this presentation, and Appendix - Non-GAAP Financial Measures beginning on page 15 of this presentation.

2. This estimate is based on, and should be read in conjunction with, the assumptions set out under "Outlook – Estimated 2023 Adjusted Net Earnings Per Common Share" and "Caution Concerning Forward-Looking Statements and Forward-Looking Information" in the Annual MD&A, which is available on SEDAR and EDGAR. Please also refer to "Forward-Looking Statements" on slide 2 of this presentation.



Q&A

Algonquin





Q1 2023 Earnings Conference Call

Appendix

Algonquin

 Liberty™

Utility by Facility & Modality

Rate Base & ROE by Major Facility and Modality

Facility	2021 Rate Base (\$mm)	2022 Rate Base (\$mm) ¹	Latest Authorized ROE
Empire Electric	\$2,718	\$2,852	9.3%
California Electric and Water	\$554	\$616	9.8%
New York Water	\$0	\$490	9.1%
New Hampshire Gas	\$435	\$490	9.3%
Bermuda Electric	\$432	\$472	8.9%
Chile Water	\$329	\$353	9.5%
Massachusetts Gas	\$249	\$282	9.6%
New Hampshire Electric	\$169	\$203	9.1%
All Other	\$924	\$1,013	9.7%
Total	\$5,810	\$6,772	9.4%
Modality	2021 Rate Base (\$mm)	2022 Rate Base (\$mm) ¹	Latest Authorized ROE
Electric	\$3,664	\$3,900	9.3%
Water	\$789	\$1,376	9.4%
Gas	\$1,357	\$1,496	9.6%
Total Utility Rate Base	\$5,810	\$6,772	9.4%

The weighted average equity ratio of regulated utilities is approximately 50%

1. Rate base is a measure specific to rate-related utilities that is not intended to represent any financial measure as defined by U.S. GAAP. The measure is used by the regulatory authorities in the jurisdictions where the Company's rate-regulated subsidiaries operate. The calculation of this measure as presented may not be comparable to similarly-titled measures used by other companies.

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 AQN. 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	
	2023	2022
Net earnings attributable to shareholders	\$ 270.1	\$ 91.0
Add (deduct):		
Net earnings attributable to the non-controlling interest, exclusive of HLBV	14.4	4.1
Income tax expense	24.7	9.5
Interest expense	81.9	57.9
Other net losses ¹	3.5	4.7
Unrealized loss on energy derivatives included in revenue	—	0.6
Pension and post-employment non-service costs	5.0	2.6
Change in value of investments carried at fair value ²	(179.4)	40.5
Gain on derivative financial instruments	(2.2)	(0.7)
Loss on foreign exchange	1.4	0.3
Depreciation and amortization	121.6	120.0
Adjusted EBITDA	\$ 341.0	\$ 330.5

¹ See Note 16 in the unaudited interim consolidated financial statements.

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 AQN. 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	
	2023	2022
Net earnings attributable to shareholders	\$ 270.1	\$ 91.0
Add (deduct):		
Gain on derivative financial instruments	(2.2)	(0.7)
Other net losses ¹	3.5	4.7
Loss on foreign exchange	1.4	0.3
Unrealized loss on energy derivatives included in revenue	—	0.6
Change in value of investments carried at fair value ²	(179.4)	40.5
Adjustment for taxes related to above	26.5	4.8
Adjusted Net Earnings	\$ 119.9	\$ 141.2
Adjusted Net Earnings per common share	\$ 0.17	\$ 0.21

¹ See Note 16 in the unaudited interim consolidated financial statements.

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

Non-GAAP Financial Measures

Reconciliation of Adjusted Funds from Operations to Cash Provided by 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 AQN. Investors are cautioned that this measure should not be construed as an alternative to cash provided by operating activities in accordance with U.S GAAP.

The following table shows the reconciliation of cash provided by operating activities to Adjusted Funds from Operations exclusive of these items:

(all dollar amounts in \$ millions)	Three months ended March 31	
	2023	2022
Cash provided by operating activities	\$ 34.2	\$ 166.2
Add (deduct):		
Changes in non-cash operating items	164.8	48.1
Production based cash contributions from non-controlling interests	9.1	3.7
Acquisition-related costs	2.8	2.2
Adjusted Funds from Operations	\$ 210.9	\$ 220.2



Corporate Information

Head Office	Greater Toronto Area, Ontario
Toronto Stock Exchange	AQN, AQN.PR.A, AQN.PR.D
New York Stock Exchange	AQN, AQNA, AQNB, AQNU
Shares Outstanding*	688,592,052
Share Price*	\$8.40
Market Capitalization*	\$5.8 B
Dividend**	\$0.4340 per share annually

* Shares outstanding, closing price (NYSE), and market capitalization as of March 31, 2023.
** Annualized using Q2 2023 dividend rate.

Algonquin



Contact Information

Arun Banskota
President and Chief Executive Officer

Darren Myers
Chief Financial Officer

Brian Chin
Vice President, Investor Relations

Tel : 905-465-4500
Email: Investorrelations@apucorp.com