



Financial Review

4th Quarter and 2018 Fiscal Year



March 1st, 2019



DISCLAIMER

Forward-looking statements

Certain statements contained in this presentation, including those regarding future results and performance, are forward-looking statements based on current expectations. The accuracy of such statements is subject to a number of risks, uncertainties and assumptions that could lead to a material difference between actual results and the projections, including, but not limited to, the general impact of economic conditions, currency fluctuations, volatility in the selling prices of energy, the Corporation's financing capacity, competition, changes in general market conditions, regulations governing the industry, raw material price increases and availability, regulatory disputes and other issues related to projects in operation or under development, as well as other factors listed in the Corporation's filings with different securities commissions.

Combined – Non-IFRS measure

The combined information ("Combined") presented above and elsewhere in this management's discussion and analysis ("MD&A") results from the combination of the financial information of Boralex Inc. ("Boralex" or the "Corporation") under IFRS and the share of the financial information of the *Interests*. The *Interests* represent significant investments by Boralex and although IFRS does not permit the consolidation of their financial information within that of Boralex, management considers that information on a Combined basis is useful data to assess the Corporation's performance. In order to prepare the Combined information, Boralex first prepared its financial statements and those of the *Interests* in accordance with IFRS. Then, the *Interests in the Joint Ventures and associates, Share in earnings (losses) of the Joint Ventures and associates and Distributions received from the Joint Ventures and associates* line items are replaced by Boralex's respective share (ranging from 50% to 59.96%) in the financial statement items of the *Interests* (revenues, expenses, assets, liabilities, etc.). We refer you to the *Non-IFRS measures* section for more information. It is important to note that the calculation method described here is identical to the method that was used as at December 31, 2017 and previously to establish the data identified as *Proportionate Consolidation* in previous MD&As.

Other non-IFRS measures

This presentation contains certain financial measures that are not in accordance with International Financial Reporting Standard ("IFRS"). In order to assess the performance of its assets and reporting segments, Boralex uses the terms "EBITDA", "EBITDA(A)", "EBITDA(A) margin" "cash flows from operations", "net debt ratio", "discretionary cash flows", "payout ratio" and "dividends paid per common share" . For more information, please refer to Boralex's MD&A.

General

The data expressed as a percentage is calculated using amounts in thousands of dollars.



Patrick Lemaire
President and
Chief Executive Officer





Change at the Head of Finance Team



Bruno Guilmette
Vice President,
Chief Financial Officer



Jean-François Thibodeau
Vice President,
Management Advisor



Record growth in production capacity and dividend in 2018

- 2,000 MW target to be reached in 2019, a year ahead of plan.
- Capacity increase by close to 500 MW in 2018, a 33% growth.
 - Acquisition of Kallista in France;
 - Acquisition of Invenergy's interests in five wind farms in Québec, Canada;
 - Commissioning of six wind farms in France.
- 10 % increase in declared dividend.



Financial Highlights (Combined basis)

Fiscal Year 2018

- Annual production: + 13%;
- Revenues: + 16%;
- EBITDA(A): + 11%.

Fourth Quarter 2018

- Quarterly production: + 33%;
- Revenues: + 21%;
- EBITDA(A): + 17%.



Outlook

- Run rate EBITDA(A) objective: from \$480 million to \$500 million by 2020, a compounded annual growth rate between 16% and 19%.
- Solid pipeline of projects.
- French renewable industry offers high growth potential .

Wind: total potential of 11.4 GW from 2019 to 2024

- 1.6 GW in 2019;
- 1.8 GW in 2020;
- 2.0 GW per year from 2021 to 2024.

Solar: total potential of 11.8 GW from 2019 to 2024

- 1.8 GW in 2019;
- 2.0 GW per year from 2020 to 2024.

- Strategic plan and objectives update to be disclosed as soon as current planning exercise will be completed.



Bruno Guilmette

Vice President,
Chief Financial Officer





Summary

Q4 2018

	IFRS		Combined ⁽¹⁾	
	2018	2017	2018	2017
<i>(in millions of Canadian dollars, unless otherwise specified)</i>				
Power Production (GWh) ⁽²⁾	1,065	871	1,389	1,042
Revenues from energy sales	145	129	178	147
EBITDA(A) ⁽¹⁾	98	93	121	104
EBITDA(A) margin ⁽¹⁾ (%)	68	72	68	70
Net earnings attributable to shareholders of Boralex	6	26	6	26
Per share (basic) (\$)	0.06	0.34	0.06	0.34
Per share (diluted) (\$)	0.06	0.32	0.06	0.32
Cash flows from operations ⁽¹⁾	71	69	84	80

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 MD&A.

⁽²⁾ Power production, including the power limitation of 41 GWh for the NRWF site, for which Boralex was compensated for 41 GWh, would have been 1,106 GWh under IFRS for the three-month periods ended December 31, 2018 and would have been 1,430 GWh on a Combined basis.



Summary

Fiscal Year 2018

	IFRS		Combined ⁽¹⁾	
	2018	2017	2018	2017
<i>(in millions of Canadian dollars, unless otherwise specified)</i>				
Power Production (GWh) ⁽²⁾	3,415	3,129	4,152	3,675
Revenues from energy sales	471	414	549	473
EBITDA(A) ⁽¹⁾	298	276	354	319
EBITDA(A) margin ⁽¹⁾ (%)	63	67	64	67
Net earnings attributable to shareholders of Boralex	(36)	22	(36)	22
Per share (basic and diluted) (\$)	(0.45)	0.29	(0.45)	0.29
Cash flows from operations ⁽¹⁾	192	195	208	210

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 MD&A.

⁽²⁾ Power production including the power limitation of 168 GWh of which Boralex was compensated for 153 GWh, would have been 3,583 GWh under IFRS for fiscal year ended December 31, 2018 and would have been 4,320 GWh on a Combined basis.



EBITDA(A)⁽¹⁾ by segment

Q4 2018

	IFRS		Combined ⁽¹⁾	
	2018	2017	2018	2017
(in millions of Canadian dollars)				
Wind	105	95	127	106
Hydroelectric	8	10	8	10
Thermal	2	2	2	2
Solar	1	1	1	1
	116	108	138	119
Corporate and eliminations	(18)	(15)	(17)	(15)
EBITDA(A) ⁽¹⁾	98	93	121	104

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 MD&A.



EBITDA(A)⁽¹⁾ by segment

Fiscal Year 2018

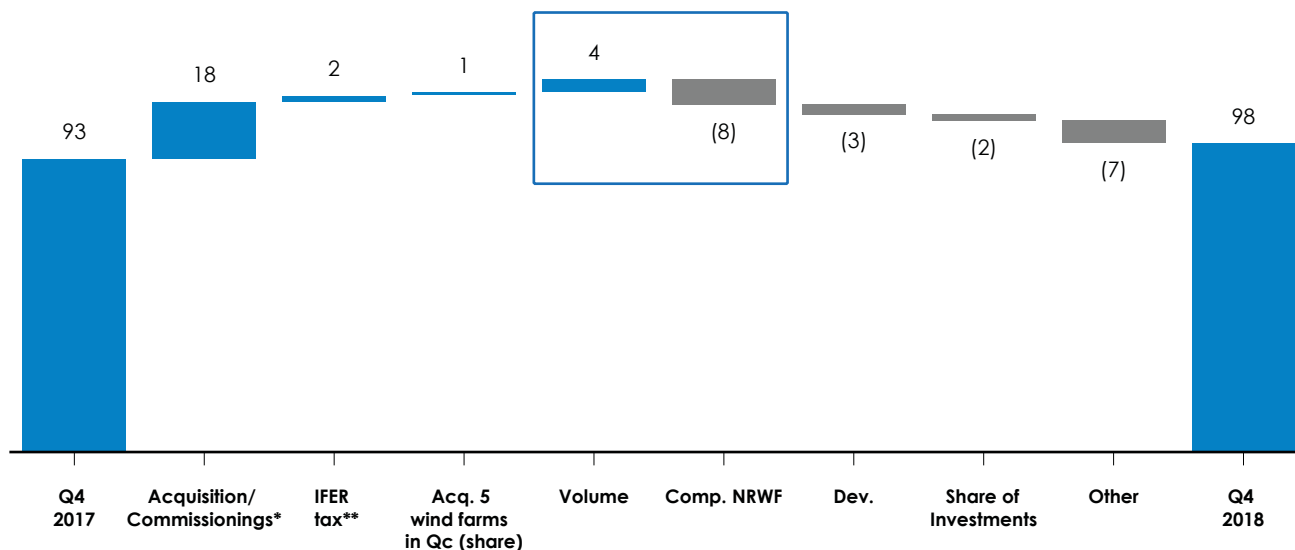
	IFRS		Combined ⁽¹⁾	
	2018	2017	2018	2017
(in millions of Canadian dollars)				
Wind	310	261	363	301
Hydroelectric	33	49	33	49
Thermal	7	8	7	8
Solar	5	4	5	4
	355	322	408	362
Corporate and eliminations	(57)	(46)	(54)	(43)
EBITDA(A) ⁽¹⁾	298	276	354	319

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 MD&A.

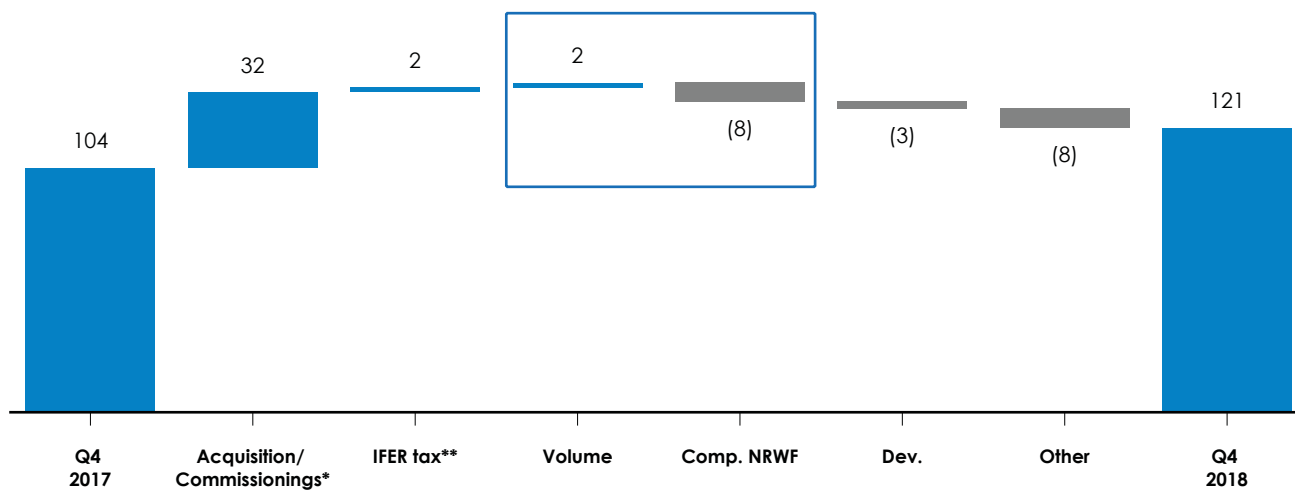
EBITDA(A)⁽¹⁾ - Variance analysis⁽²⁾

Q4 2018 vs Q4 2017

IFRS



Combined⁽¹⁾

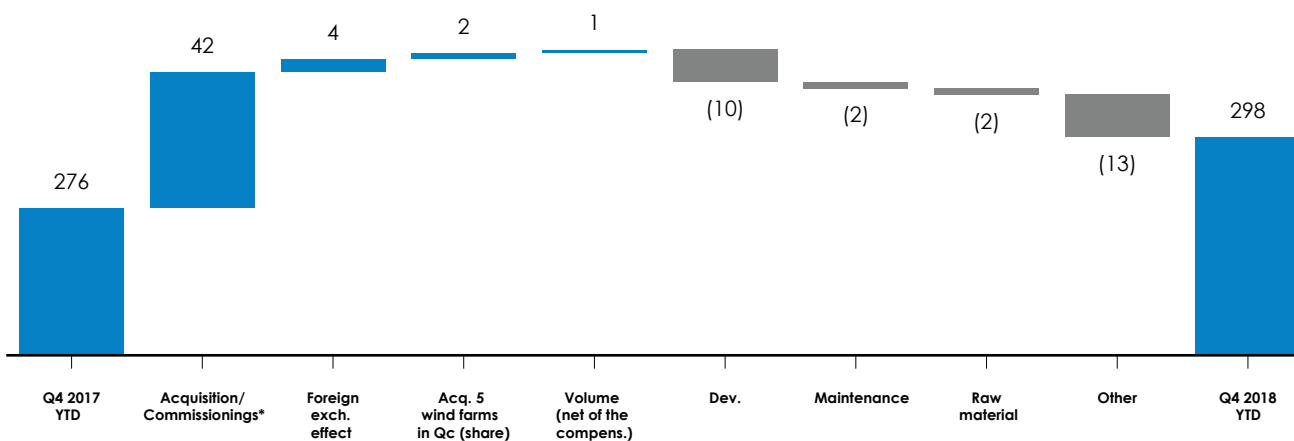


(1) See the *Non-IFRS measures* section in the 2018 MD&A.
 (2) The amounts in these graphs are expressed in millions of Canadian dollars.
 * Addition of 89 MW during the fourth quarter by the commissioning of Noyer Bucamps on November 1, 2018 (10 MW), Hauts de Comble on November 5, 2018 (20 MW), Côteaux du Blaiseron on November 9 2018 (26 MW), Le Pelon (10 MW) and Source de l'Ancre (23 MW) on January 1, 2019. Addition of 53 MW in the fourth quarter of 2017 by the commissioning of Artois (23 MW) on November 21, 2017 and Chemin de Grès on December 6, 2017 (30 MW).
 ** IFR : Flat-rate tax on network businesses (France)

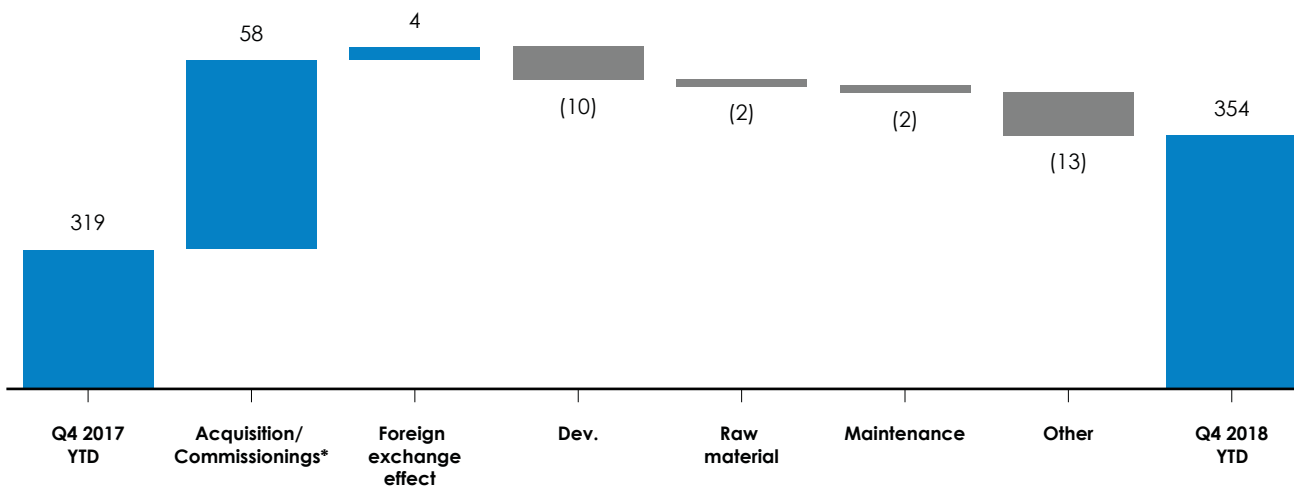
EBITDA(A)⁽¹⁾ - Variance Analysis⁽²⁾

Fiscal Year 2018 vs Fiscal Year 2017

IFRS



Combined⁽¹⁾



⁽¹⁾ See the Non-IFRS measures section in the 2018 MD&A.

⁽²⁾ The amounts in these graphs are expressed in millions of Canadian dollars.

* Addition of 285 MW since December 31, 2017, contribution of Kallista wind farms (163 MW) as of June 20, 2018, commissioning of Inter Deux Bos on September 24, 2018 (33 MW), Noyers Bucamp on November 1, 2018 (10 MW), Hauts de Comble on November 5, 2018 (20 MW), Côteaux du Blaiseron on November 9, 2018 (26 MW), Le Pelon (10 MW) and Source de l'Ancre (23 MW) on January 1, 2019. The 201 MW net acquired from Invenery are added to the Combined basis. Addition of 321 MW in 2017 by the acquisition of FWRN on January 18, 2017 (230 MW), Plateau de Savernat II on March 21, 2017 (4 MW), Voie des Monts on July 10, 2017 (10 MW), Mont de Bagny le August 1, 2017 (24 MW), Artois on November 21 2017 (23 MW) and Chemin de Grès on December 6, 2017 (30 MW).

** IFRS : Flat-rate tax on network businesses (France)



Segment Review

Wind Energy - Q4 2018

	IFRS		Combined ⁽¹⁾	
	2018	2017	2018	2017
(in millions of Canadian dollars, unless otherwise specified)				
Power production (GWh) ⁽²⁾	852	676	1,176	847
Capacity factor (%)	30	30	32	32
Revenues from energy sales	123	107	156	125
EBITDA(A) ⁽¹⁾	105	95	127	106
EBITDA(A) margin ⁽¹⁾ (%)	85	90	81	85

On a Combined basis:

- Production increased by 39% vs Q4 2017; 31% in Canada and 50% in France.
 - 2% lower than Q4 2017 excluding the newly-commissioned sites.

Canadian stations	French stations
Capacity factor of 35% vs 39% expected vs 35% in Q4 2017. Production: 5% lower excluding the acquisition of Invenergy interests.	Capacity factor of 30% vs 33% expected vs 29% in Q4 2017 Production: 2% higher excluding the contribution of newly-commissioned assets (Artois, Chemin de Grès, Inter Deux Bos, Hauts de Comble, Noyer Bucamps and Côteaux du Blaiseron) and the acquisition of Kallista.

- Newly-commissioned assets had a favorable impact on revenues from energy sales of \$39 million and of \$32 million on EBITDA (A), respectively.
- Considering the production for which the NRWF facility was compensated, the production increased by 26% vs Q4 2017; 17% Canada and 50% in France.
- Considering power limitation, capacity factor would have been 31% in 2018 vs 34% in 2017 in IFRS and 33% vs 36% on a Combined basis.

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 MD&A.

⁽²⁾ Power production, including the power limitation of 41 GWh for the NRWF site, for which Boralex was compensated, would have been 893 GWh under IFRS and would have been 1,217 GWh on a Combined basis for the three-month period ended December 31, 2018.



Segment Review

Wind Energy - Fiscal Year 2018

	IFRS		Combined ⁽¹⁾	
	2018	2017	2018	2017
(in millions of Canadian dollars, unless otherwise specified)				
Power production (GWh) ⁽²⁾	2,581	2,204	3,318	2,750
Capacity factor (%)	25	25	27	27
Revenues from energy sales	385	315	463	374
EBITDA(A) ⁽¹⁾	310	261	363	301
EBITDA(A) margin ⁽¹⁾ (%)	81	83	79	81

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 MD&A.

⁽²⁾ Power production, including the power limitation of 168 GWh for the NRWF site, of which Borex was compensated for 153 GWh, would have been 2,749 GWh under IFRS and would have been 3,486 GWh on a Combined basis for fiscal year ended December 31, 2018.

- Considering power limitations, the adjusted power factors would have been 27% in 2018 vs. 27% in 2017 under IFRS and 28% in 2018 vs. 29% in 2017 on a Combined basis.



Segment Review

Hydroelectric Energy - IFRS⁽¹⁾

	Q4		Fiscal Year	
	2018	2017	2018	2017
<i>(in millions of Canadian dollars, unless otherwise specified)</i>				
Power production (GWh)	170	159	648	729
Revenues from energy sales	11	14	49	65
EBITDA(A) ⁽²⁾	8	10	33	49
EBITDA(A) margin ⁽²⁾ (%)	66	70	67	75

⁽¹⁾ There is no difference between IFRS and Combined information for this segment.

⁽²⁾ See the *Non-IFRS measures* section in the 2018 MD&A.

- Production higher by 6% compared to Q4 2017 and 2% lower versus historical averages.

Canadian power stations	US power stations
31% lower vs Q4 2017 28% lower vs historical averages	35% higher vs Q4 2017 22% higher vs historical averages

- As a reminder, starting in December 2017, the contracted price of the Hudson Falls facility (46 MW) was down from US\$80.58/MWh to US\$48.27/MWh or by 40% (until November 2025).
- The production shutdown at the Buckingham power station had an unfavorable impact on revenues from energy sales and EBITDA(A) by \$3 million including a penalty for non production in 2019.



Segment Review

Corporate

Q4

	IFRS		Combined ⁽¹⁾	
	2018	2017	2018	2017
(in millions of Canadian dollars)				
Development	5	6	5	6
Administrative	9	7	9	7
Other expenses	4	2	3	2
Corporate EBITDA(A) ⁽¹⁾	18	15	17	15

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 MD&A.

Fiscal Year

	IFRS		Combined ⁽¹⁾	
	2018	2017	2018	2017
(in millions of Canadian dollars)				
Development	16	15	16	15
Administrative	28	23	28	23
Other expenses	13	8	10	5
Corporate EBITDA(A) ⁽¹⁾	57	46	54	43

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 MD&A.



Cash Flows

Q4 2018

	IFRS	
	2018	2017
(in millions of Canadian dollars)		
Cash flows from operations ⁽¹⁾	71	69
Changes in non-cash items	(48)	(52)
Operating activities	23	17
Investing activities	(85)	(53)
Financing activities	93	56
Other	5	1
Net change in cash	36	21
Cash and cash equivalents – beginning of period	121	94
Cash and cash equivalents – end of period	157	115

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 MD&A.



Cash Flows

Fiscal Year - 2018

	IFRS	
	2018	2017
(in millions of Canadian dollars)		
Cash flows from operations ⁽¹⁾	192	195
Changes in non-cash items	10	(50)
Operating activities	202	145
Investing activities	(641)	(345)
Financing activities	475	214
Other	6	1
Net change in cash	42	15
Cash and cash equivalents – beginning of year	115	100
Cash and cash equivalents – end of year	157	115

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 MD&A.



Financial Position

2018 Fiscal Year

	IFRS	
	December 31, 2018	December 31, 2017
(in millions of Canadian dollars, unless otherwise specified)		
Cash and cash equivalent	157	115
Restricted cash	96	35
Total assets	4,746	3,926
Debt ⁽¹⁾	3,271	2,642
Convertible debentures - nominal value	144	144
Average rate - total debt (%)	3.9	3.8
Equity attributable to shareholders of Boralex ⁽²⁾	870	685
Book value per share (in \$)	9.74	8.98
Net debt ratio (market capitalization) (%) ⁽³⁾	65	56

⁽¹⁾ Including *Non-current* debt and the *Current portion of debt*.

⁽²⁾ Excluding *Non-controlling shareholders*.

⁽³⁾ See the *Non-IFRS measures* section in the 2018 MD&A.



Expected Project CAPEX, Financing and Debt Reimbursement

Expected project CAPEX

- 2019-2020 for 126 MW in *Growth path*: \$249 million;
- 2019 CAPEX: \$182 million.

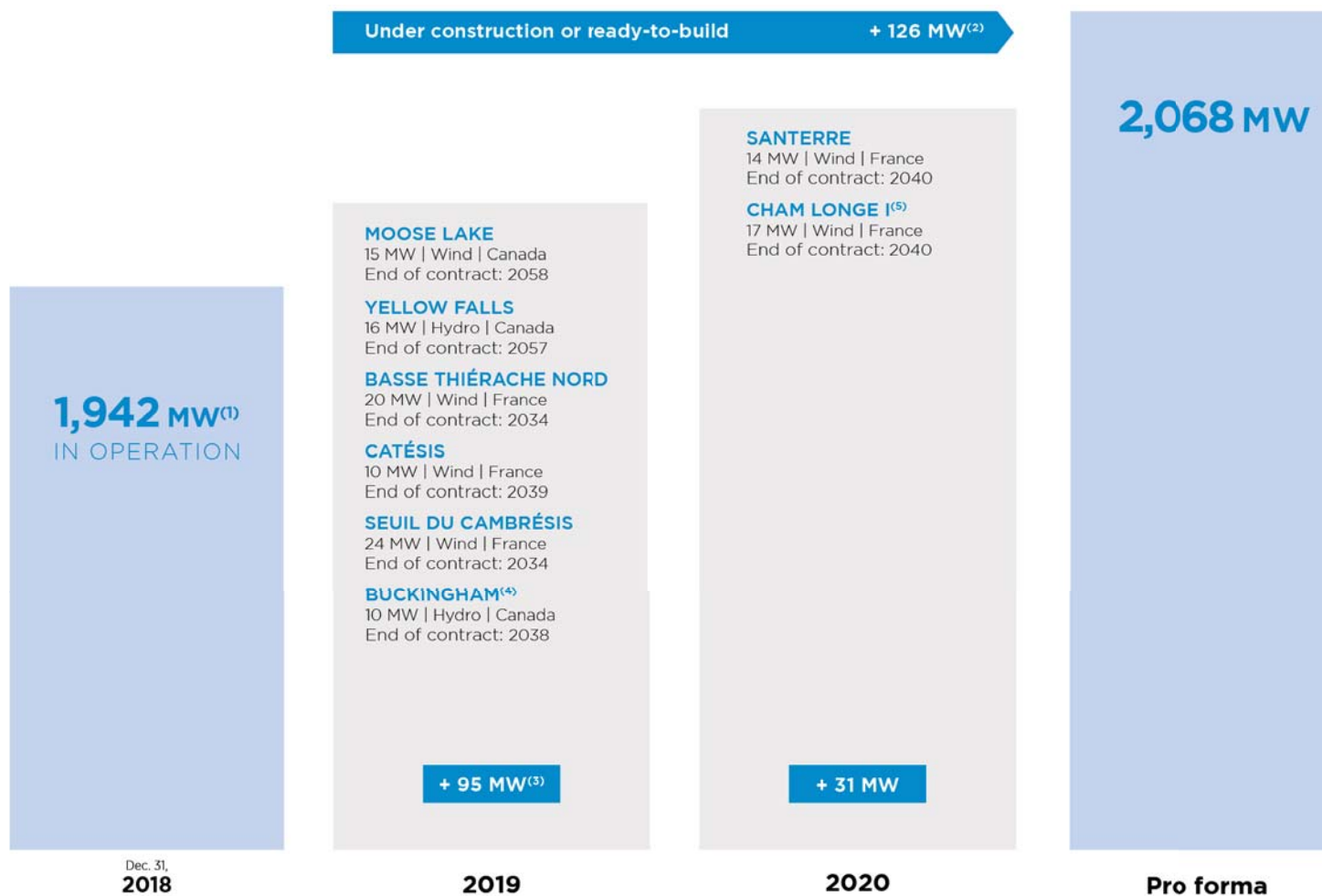
Expected project financing

- 2019-2020 for 126 MW in *Growth path*: \$193 million in project debt and \$56 million in project equity;
- 2019 project financing: \$126 million in project debt and \$56 million in project equity.

Expected project debt redemption

- 2019: \$352 million.

Growth path



⁽¹⁾ This data, as well as all the data contained in the MD&A as at December 31, 2018, reflects 100% of Boralex subsidiaries in which the Corporation is the controlling shareholder. The data also reflects Boralex's share in entities over which it does not have control which are accounted for using the equity method in the 2018 Annual Report, consisting of 170 MW in the Joint Ventures operating the Seigneurie de Beaupré Wind Farms in Québec, representing 50% of the total installed capacity of 340 MW, plus 201 MW from five wind farms in Québec, following the acquisition of Invenergy's interests in these facilities which was completed on September 14, 2018.

⁽²⁾ France 85 MW | Canada 41 MW

⁽³⁾ Hydro 26 MW | Wind 69 MW

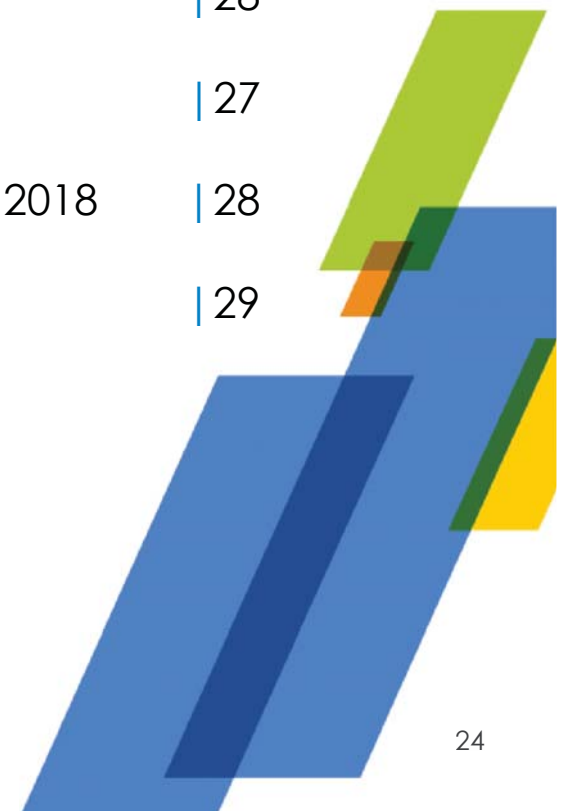
⁽⁴⁾ Project whose current capacity of 10 MW is to increase to 20 MW.

⁽⁵⁾ Project whose current capacity of 18 MW is to increase to 35 MW while the initial expiry date of 2020 is to be extended by 20 years.



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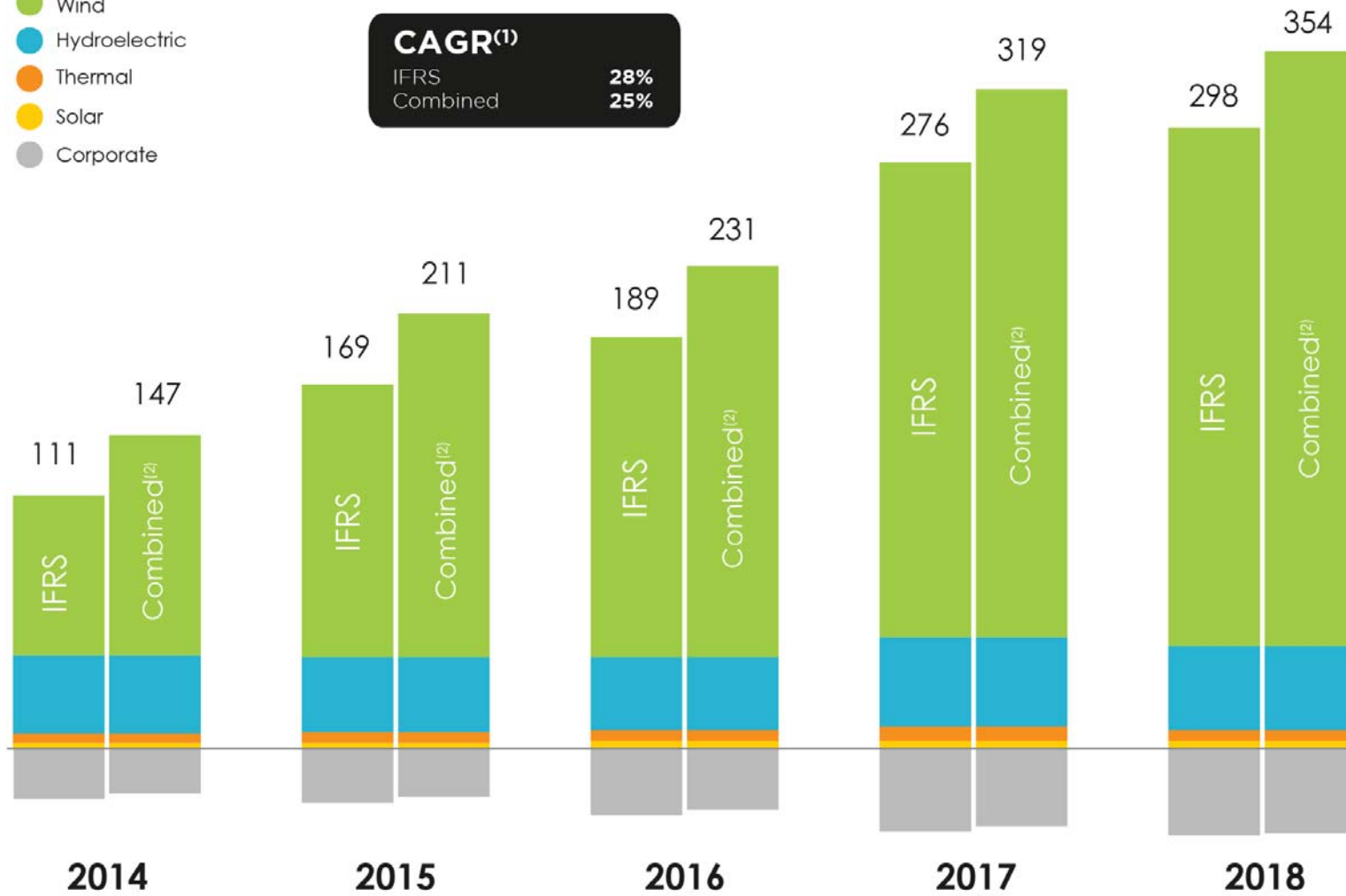


Historical data

EBITDA(A) (in millions of Canadian dollars)

- Wind
- Hydroelectric
- Thermal
- Solar
- Corporate

CAGR⁽¹⁾
 IFRS **28%**
 Combined **25%**



⁽¹⁾ Compounded annual growth rate for the 2014–2018 period.

⁽²⁾ See the *Non-IFRS measures* section in the 2018 MD&A.



Segment Review

Thermal Energy - IFRS⁽¹⁾

	Q4		Fiscal Year	
	2018	2017	2018	2017
<i>(in millions of Canadian dollars, unless otherwise specified)</i>				
Steam production ('000 lbs)	163	163	662	662
Power production (GWh)	40	31	166	173
Revenues from energy sales	9	7	31	28
EBITDA(A) ⁽²⁾	2	2	7	8
EBITDA(A) margin ⁽²⁾ (%)	24	26	26	29

⁽¹⁾ There is no difference between IFRS and Combined information for this segment.

⁽²⁾ See the *Non-IFRS measures* section in the 2018 MD&A.



Segment Review

Solar Energy - IFRS ⁽¹⁾

	Q4		Fiscal Year	
	2018	2017	2018	2017
<i>(in millions of Canadian dollars, unless otherwise specified)</i>				
Power production (GWh)	3	5	20	23
Capacity factor (%)	9	12	15	17
Revenues from energy sales	2	1	6	6
EBITDA(A) ⁽²⁾	1	1	5	4
EBITDA(A) margin ⁽²⁾ (%)	73	74	80	81

⁽¹⁾ There is no difference between IFRS and Combined information for this segment.

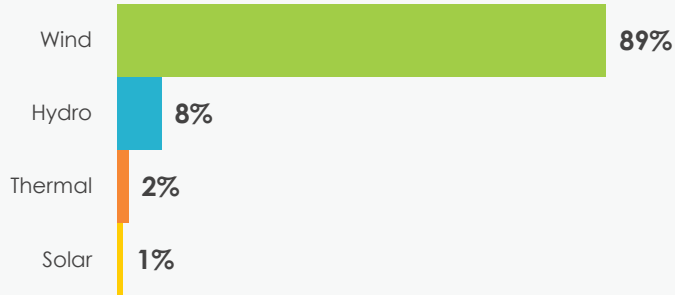
⁽²⁾ See the *Non-IFRS measures* section in the 2018 MD&A.

Segment and Geographic Breakdown as at December 31, 2018

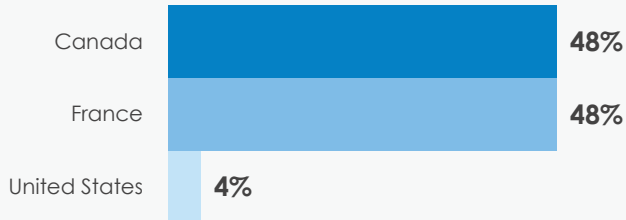
Installed capacity

1,942 MW

Segment breakdown



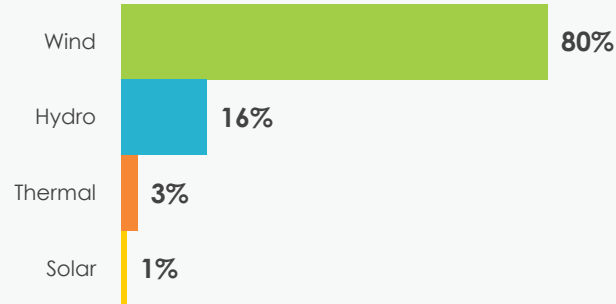
Geographic breakdown



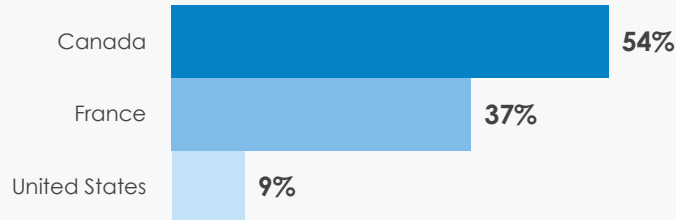
Power production

3,415 GWh⁽¹⁾ and 4,152 GWh⁽²⁾

Segment breakdown ^{(2) (3)}



Geographic breakdown ^{(2) (3)}



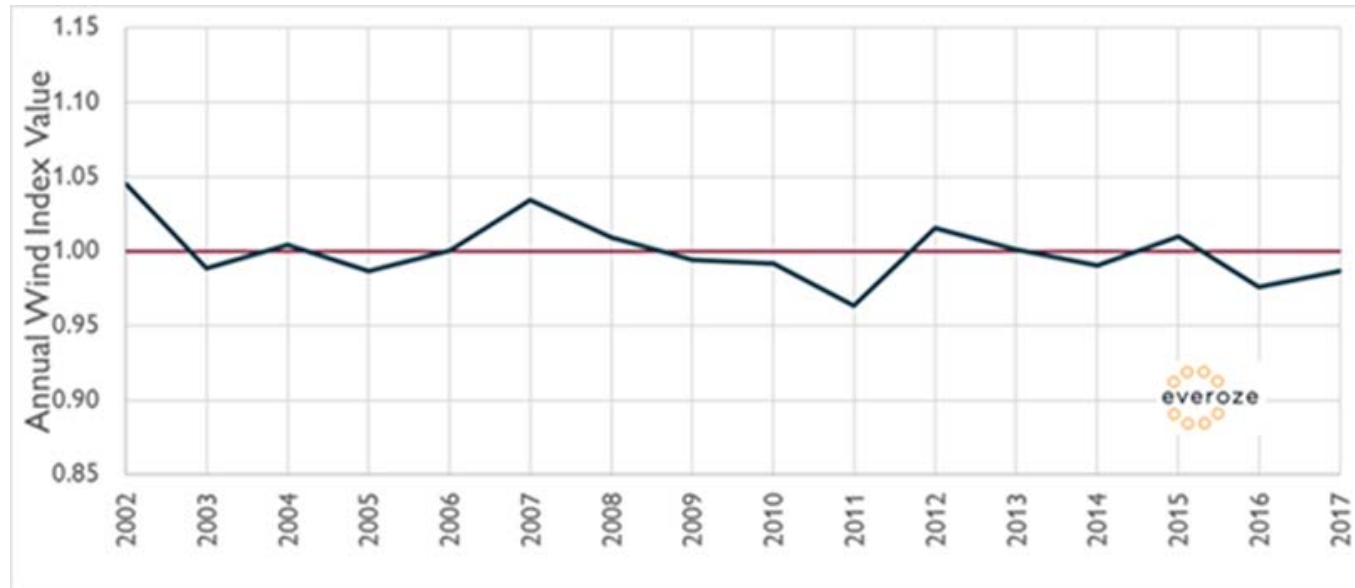
⁽¹⁾ Under IFRS

⁽²⁾ On a Combined basis.

⁽³⁾ Under IFRS, the wind, hydro, thermal and solar segments represent respectively 76%, 19%, 4% and 1%, and Canada, France and the United States represent respectively, 44%, 45% and 11%.



France Long-Term Wind Conditions





Question period



BORALEX



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