



Financial Review

2nd Quarter 2018



August 10, 2018



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 in this presentation results from the combination of the financial information of Boralex Inc. ("Boralex" or the "Corporation") under IFRS and its share of the financial information of the Joint Ventures (as defined in note 5 to Boralex's interim financial statements). The Joint Ventures represent significant investments by Boralex and although IFRS does not permit the consolidation of their financial information within that of Boralex, management considers that Combined information is useful data for investors. In order to prepare the information on a Combined basis, Boralex first prepared its financial statements and those of the Joint Ventures in accordance with IFRS. Then, the Interests in Joint Ventures, Share in earnings of the Joint Ventures and Distributions received from the Joint Ventures line items are replaced by Boralex's share (50%) in the financial statement items of the Joint Ventures (revenues, expenses, assets, liabilities, etc.). All the information required to make this calculation can be found in Boralex's financial statements, more specifically in Note 5, Interests in the Joint Ventures, with respect to the financial information of the Joint Ventures under IFRS. We also refer you to the *Non-IFRS measures* section in the 2018 Interim Report 2 for more information. It is important to note that the calculation method described here is identical to the method previously used 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





Financial highlights

Q2 2018

- The contribution of sites acquired and commissioned in the last twelve months allowed to compensate for the impact of less favourable weather conditions on the production of existing sites, namely the Canadian and French wind sites and the US hydros.
- Boralex consolidates its position as an industry leader with:
 - the closing of the Kallista acquisition in France
 - an agreement providing for the acquisition of the Invenergy interests in five Québec wind farms.
- These transactions will immediately translate into a 25% increase of installed capacity and will allow over time to achieve increasing operational synergies. Amongst others, Boralex will be better positioned when exploring new partnership opportunities and negotiating new supply agreements.
- Recent issuance for a gross amount of \$259 million of subscription receipts in combination with a new \$100 million financing under the form of unsecured subordinate debt maturing in 2028 realized in July.
- The Board of Directors has conditionally authorized a 4.8% dividend increase from \$0.63 to \$0.66 per share on an annualized basis. This would represent the second increase since the beginning of the year for a total of 10%. This second increase will come into effect upon closing of the Invenergy acquisition.

Growth path



⁽¹⁾ This data, as well as all the data contained in the interim MD&A as at June 30, 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 interim MD&A as at June 30, 2018, 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, once the acquisition of Invenergy's interests in these facilities has been completed, for a total capacity of 392 MW.

⁽²⁾ The agreement to acquire Invenergy Renewables' interests in five wind farms ("Invenergy") was announced via press release on June 20, 2018.

⁽³⁾ France 203 MW | Canada 41 MW

⁽⁴⁾ 2018: Hydro 16 MW | Wind 114 MW; 2019: Hydro 10 MW | Wind 73 MW

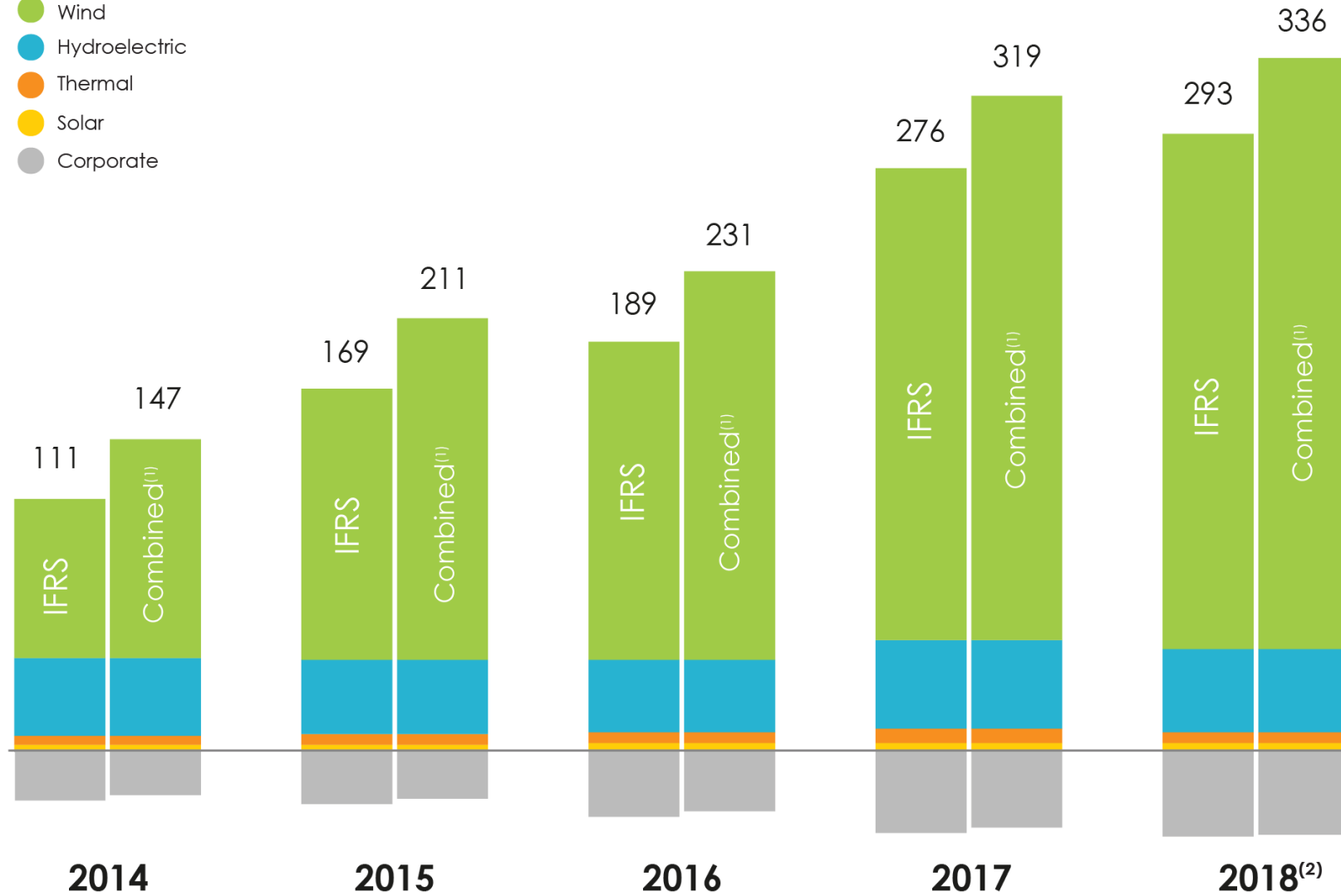
⁽⁵⁾ Project whose current capacity of 10 MW is to increase to 20 MW.

⁽⁶⁾ 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 15 years.

Historical data

EBITDA(A) (in millions of Canadian dollars)

- Wind
- Hydroelectric
- Thermal
- Solar
- Corporate



⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 2.

⁽²⁾ Twelve-months period ended June 30, 2018.



Jean-François Thibodeau

Vice president and
Chief Financial Officer



Summary

Q2 2018 - Quarterly

	IFRS		Combined ⁽¹⁾	
	2018	2017	2018	2017
<i>(in millions of Canadian dollars, unless otherwise specified)</i>				
Power Production (GWh) ⁽²⁾	747	744	881	863
Revenues from energy sales	95	92	110	105
EBITDA(A) ⁽¹⁾	57	57	68	67
EBITDA(A) margin ⁽¹⁾ (%)	60	62	62	64
Net earnings ⁽³⁾	(28)	(2)	(28)	(2)
Per share (basic and diluted) (\$)	(0.36)	(0.03)	(0.36)	(0.03)
Cash flows from operations ⁽¹⁾	21	44	26	46

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 2.

⁽²⁾ Power production, including the power limitation of 28 GWh for the NRWF site, for which Boralex was compensated, would have been 775 GWh under IFRS for the three-month periods ended June 30, 2018 (779 GWh for the same period in 2017) and would have been 909 GWh on a Combined basis (898 GWh for the same period in 2017).

⁽³⁾ Attributable to shareholders of Boralex.

Summary

Q2 2018 - YTD

	IFRS		Combined ⁽¹⁾	
	2018	2017	2018	2017
<i>(in millions of Canadian dollars, unless otherwise specified)</i>				
Power Production (GWh) ⁽²⁾	1,802	1,653	2,085	1,926
Revenues from energy sales	247	211	278	240
EBITDA(A) ⁽¹⁾	161	144	182	165
EBITDA(A) margin ⁽¹⁾ (%)	65	68	66	69
Net earnings (loss) ⁽³⁾	(8)	13	(8)	13
Per share (basic and diluted) (\$)	(0.10)	0.18	(0.10)	0.18
Cash flows from operations ⁽¹⁾	98	102	111	115

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 2.

⁽²⁾ Power production including the power limitation of 84 GWh for which Boralex was compensated for 70 GWh would have been 1,886 GWh under IFRS for the six-month periods ended June 30, 2018 (1,701 GWh for the same period in 2017) and would have been 2,169 GWh on a Combined basis (1,974 GWh for the same period in 2017).

⁽³⁾ Attributable to shareholders of Boralex.

EBITDA(A)⁽¹⁾ by segment

Q2 2018 - Quarterly

	IFRS		Combined ⁽¹⁾	
	2018	2017	2018	2017
(in millions of Canadian dollars)				
Wind	58	53	68	62
Hydroelectric	10	15	10	15
Thermal	1	(1)	1	(1)
Solar	1	1	1	1
	70	68	80	77
Corporate and eliminations	(13)	(11)	(12)	(10)
EBITDA(A) ⁽¹⁾	57	57	68	67

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 2.

EBITDA(A)⁽¹⁾ by segment

Q2 2018 - YTD

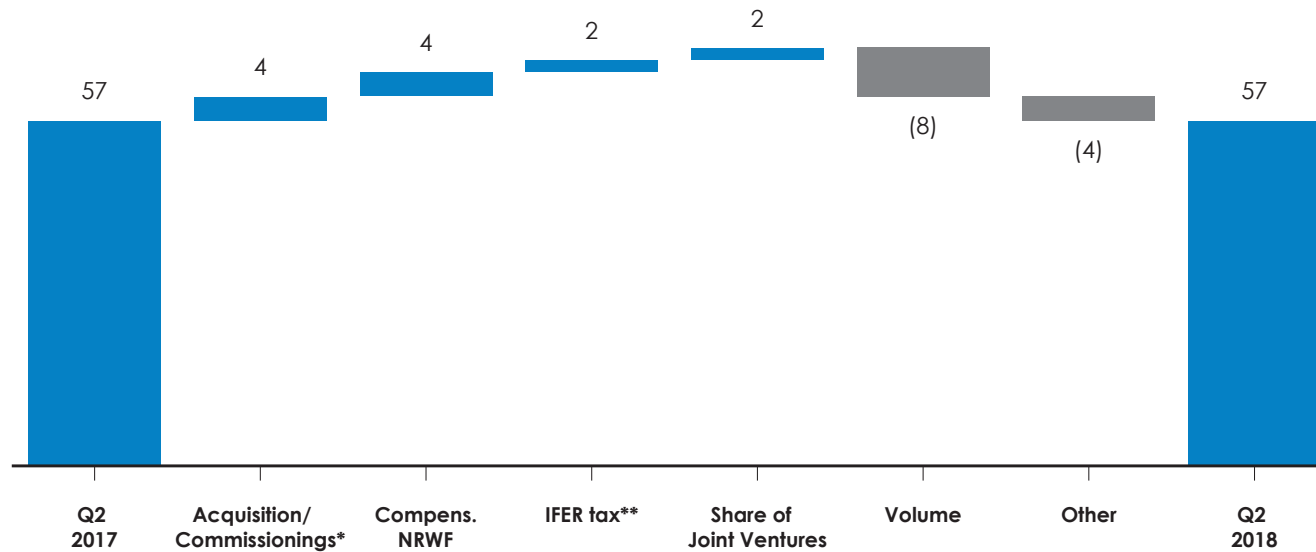
	IFRS		Combined ⁽¹⁾	
	2018	2017	2018	2017
(in millions of Canadian dollars)				
Wind	160	130	180	150
Hydroelectric	20	28	20	28
Thermal	5	5	5	5
Solar	2	2	2	2
	187	165	207	185
Corporate and eliminations	(26)	(21)	(25)	(20)
EBITDA(A) ⁽¹⁾	161	144	182	165

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 2.

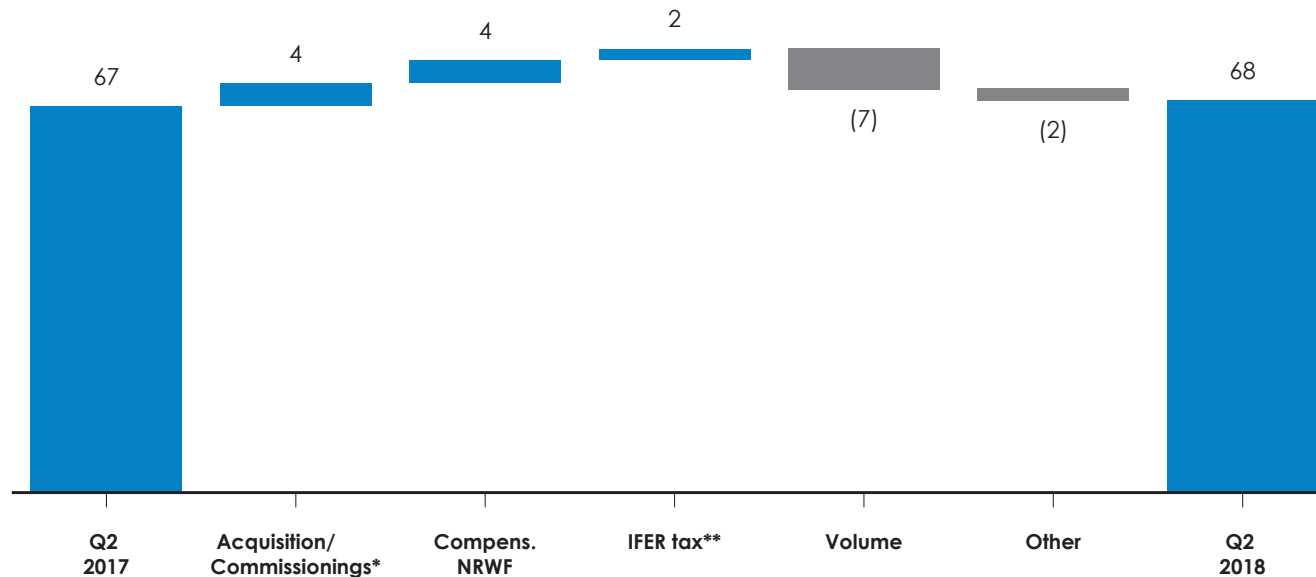
EBITDA(A)⁽¹⁾ - Variance analysis⁽²⁾

Q2 2018 vs 2017 - Quarterly

IFRS



Combined⁽¹⁾



⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 2.

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

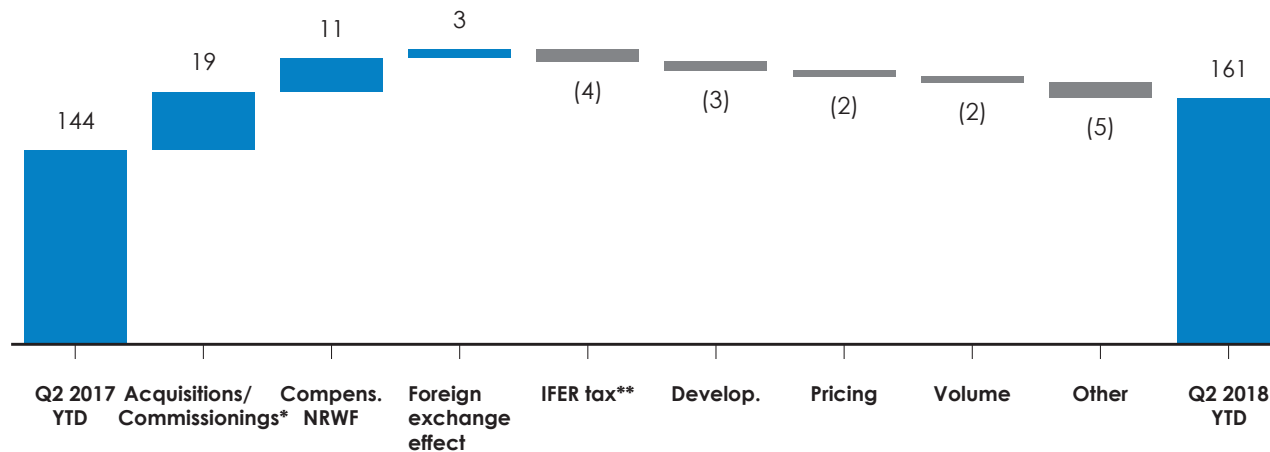
* Commissioning of 87 MW : Voie des Monts, Mont de Bagny, Artois, Chemin de Grès as well as 10 days in June 2018 for Kallista.

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

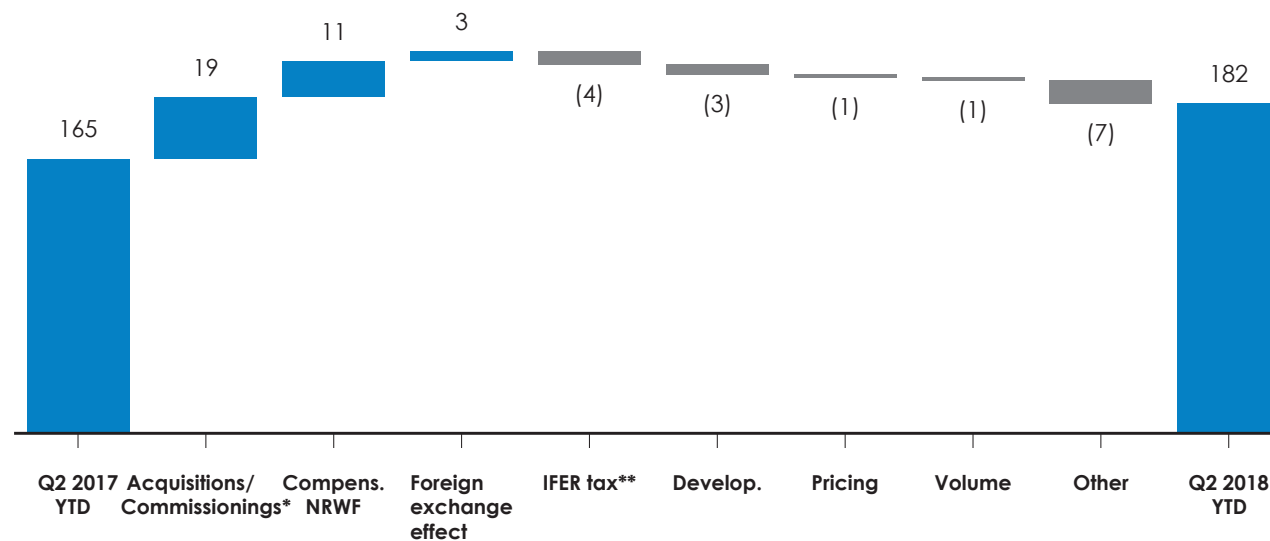
EBITDA(A)⁽¹⁾ - Variance Analysis⁽²⁾

YTD 2018 vs 2017 - YTD

IFRS



Combined⁽¹⁾



⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 2.

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

* Commissioning of 91 MW : Plateau de Savernat II, Voie des Monts, Mont de Bagny, Artois, Chemin de Grès as well as 10 days in June 2018 for Kallista, and 17 days in January 2018 for NRWF.

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

Segment Review Q2 2018

Wind Energy - Quarterly

	IFRS		Combined ⁽¹⁾	
	2018	2017	2018	2017
(in millions of Canadian dollars, unless otherwise specified)				
Power production (GWh) ⁽²⁾	490	488	624	607
Capacity factor (%)	20	23	22	24
Revenues from energy sales	73	68	88	81
EBITDA(A) ⁽¹⁾	58	53	68	62
EBITDA(A) margin ⁽¹⁾ (%)	79	77	77	77

On a Combined basis:

- Production increased by 3% vs Q2 2017; 20% in France and -6% in Canada.
 - 5% lower than Q2 2017 excluding the newly-commissioned sites.

Canadian stations
Capacity factor of 28% vs 29% expected vs 29% in Q2 2017.

French stations
Capacity factor of 17% vs 24% expected vs 18% in Q2 2017 Production: 3% lower excluding the contribution of newly-commissioned assets (Voie des Monts, Mont de Bagny, Artois and Chemin de Grès) and the acquisition of Kallista.

- Newly-commissioned assets had a favorable impact on revenues from energy sales of \$6 million and of \$4 million on EBITDA (A), respectively.

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 2.

⁽²⁾ Power production, including the power limitation of 28 GWh for the NRWF site, for which Boralex was compensated, would have been 518 GWh under IFRS for the three-month periods ended June 30, 2018 (523 GWh for the same period in 2017) and would have been 652 GWh on a Combined basis (642 GWh for the same period in 2017). Capacity factor calculations take into account this adjustment.



Segment Review Q2 2018

Wind Energy - YTD

	IFRS		Combined ⁽¹⁾	
	2018	2017	2018	2017
<i>(in millions of Canadian dollars, unless otherwise specified)</i>				
Power production (GWh) ⁽²⁾	1,314	1,143	1,597	1,416
Capacity factor (%) ⁽²⁾	28	27	29	29
Revenues from energy sales	198	155	229	184
EBITDA(A) ⁽¹⁾	160	130	180	150
EBITDA(A) margin ⁽¹⁾ (%)	81	83	79	81

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 2.

⁽²⁾ Power production, including the power limitation of 84 GWh for the NRWF site, for which Boralex was compensated for 70 GWh, would have been 1,398 GWh under IFRS for the six-month periods ended June 30, 2018 (1,191 GWh for the same period in 2017) and would have been 1,681 GWh on a Combined basis (1,464 GWh for the same period in 2017).

Segment Review Q2 2018

Hydroelectric Energy - IFRS and Combined⁽¹⁾

	Quarterly		YTD	
	2018	2017	2018	2017
<i>(in millions of Canadian dollars, unless otherwise specified)</i>				
Power production (GWh)	194	231	359	404
Revenues from energy sales	14	19	28	37
EBITDA(A) ⁽¹⁾	10	15	20	28
EBITDA(A) margin ⁽¹⁾ (%)	70	78	71	78

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 2. There is no difference between IFRS and Combined information for this segment.

- Production lower by 16% compared to Q2 2017 and 8% lower versus historical averages.

Canadian power stations	US power stations
5% higher vs Q2 2017 3% lower vs historical averages	29% lower vs Q2 2017 12% lower 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).

Segment Review Q2 2018

Corporate

Quarterly

	IFRS		Combined ⁽¹⁾	
	2018	2017	2018	2017
(in millions of Canadian dollars)				
Development	1	3	2	3
Administrative	7	6	7	6
Other expenses	5	2	3	1
Corporate EBITDA(A) ⁽¹⁾	13	11	12	10

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 2.

YTD

	IFRS		Combined ⁽¹⁾	
	2018	2017	2018	2017
(in millions of Canadian dollars)				
Development	6	6	6	6
Administrative	14	11	14	11
Other expenses	6	4	5	3
Corporate EBITDA(A) ⁽¹⁾	26	21	25	20

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 2.

Cash Flows

Q2 2018 - Quarterly

	IFRS	
	2018	2017
(in millions of Canadian dollars)		
Cash flows from operations ⁽¹⁾	21	44
Changes in non-cash items	31	(6)
Operating activities	52	38
Investing activities	(162)	(88)
Financing activities	129	68
Other	(2)	2
Net change in cash	17	20
Cash and cash equivalents – beginning of period	142	93
Cash and cash equivalents – end of period	159	113

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 2.

Cash Flows

Q2 2018 - YTD

	IFRS	
	2018	2017
(in millions of Canadian dollars)		
Cash flows from operations ⁽¹⁾	98	102
Changes in non-cash items	64	(10)
Operating activities	162	92
Investing activities	(247)	(209)
Financing activities	126	127
Other	3	3
Net change in cash	44	13
Cash and cash equivalents – beginning of period	115	100
Cash and cash equivalents – end of period	159	113

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 2.

Financial Position

Q2 2018

	IFRS	
	June 30, 2018	December 31, 2017
<i>(in millions of Canadian dollars, unless otherwise specified)</i>		
Cash and cash equivalent	159	115
Restricted cash	51	35
Total assets	4,374	3,926
Debt ⁽¹⁾	3,081	2,642
Convertible debentures - nominal value	144	144
Average rate - total debt (%)	3.9	3.8
Equity attributable to shareholders of Boralex ⁽²⁾	671	685
Book value per share (in \$)	8.79	8.98
Net debt ratio (market capitalization) (%) ⁽³⁾	62	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 Interim Report 2.



Appendices

Segment review - **Thermal** Energy

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Segment review - **Solar** Energy

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Segment Review Q2 2018

Thermal Energy - IFRS and Combined⁽¹⁾

	Quarterly		YTD	
	2018	2017	2018	2017
<i>(in millions of Canadian dollars, unless otherwise specified)</i>				
Steam production ('000 lbs)	164	165	340	337
Power production (GWh)	57	18	119	95
Revenues from energy sales	7	3	19	16
EBITDA(A) ⁽¹⁾	1	(1)	5	5
EBITDA(A) margin ⁽¹⁾ (%)	18	(17)	30	32

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 2. There is no difference between IFRS and Combined information for this segment.



Segment Review Q2 2018

Solar Energy - IFRS and Combined⁽¹⁾

	Quarterly		YTD	
	2018	2017	2018	2017
(in millions of Canadian dollars, unless otherwise specified)				
Power production (GWh)	6	7	10	11
Capacity factor (%)	19	22	15	17
Revenues from energy sales	1	2	2	3
EBITDA(A) ⁽¹⁾	1	1	2	2
EBITDA(A) margin ⁽¹⁾ (%)	87	80	77	80

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 2. There is no difference between IFRS and Combined information for this segment.



Question period



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