



Financial Review

3rd Quarter 2016

November 9, 2016

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, negative changes in general market conditions and regulations affecting the industry, raw material price increases and availability as well as other factors listed in the Corporation's filings with different securities commissions.

This presentation contains certain financial measures that are non IFRS measures. For more information, please refer to Boralex's MD&A.

Proportionate Consolidation

This presentation contains results presented on a proportionate consolidation basis. Under this method, the results of Seigneurie de Beaupré Wind Farms 2 and 3 ("Joint Venture Phase I") and Seigneurie de Beaupré Wind Farm 4 ("Joint Venture Phase II") General Partnerships (the "Joint Ventures"), which are 50% owned by Boralex, were proportionately consolidated instead of being accounted for using the equity method as required by IFRS. Under the proportionate consolidation method, which is no longer permitted under the IFRS, the *Interests in the Joint Ventures* and *Share in earnings (loss) of the Joint Ventures* are eliminated and replaced by Boralex's share (50%) in all items in the financial statements (revenues, expenses, assets and liabilities). Since the information that Boralex uses to perform internal analyses and make strategic and operating decisions is compiled on a proportionate consolidation basis, management has considered it relevant to integrate this *Proportional Consolidation* section into the presentation to help investors understand the concrete impacts of decisions made by the Corporation. Moreover, tables reconciling IFRS data with data presented on a proportionate consolidation basis are included in the MD&A.

Non-IFRS Measures

In order to assess the performance of its assets and reporting segments, Boralex uses the terms EBITDA(A), cash flows from operations and net debt ratio. EBITDA(A) represents earnings before interest, taxes, depreciation and amortization, adjusted to include other items. Cash flows from operations are equal to net cash flows related to operating activities before changes in non-cash items.



Mr. Patrick Lemaire

*President and
Chief Executive Officer
Boralex Inc.*

Highlights

Q3 2016

Financial Results

- ⚡ According to proportionate consolidation, power production and revenues from energy sales are up in comparison to Q3 2015 reflecting amongst others the contribution of sites which were commissioned in the second half of 2015 and in early August 2016.
- ⚡ With respect to EBITDA(A) and cash flows related to operating activities before non-cash items, the contribution of new sites did not however compensate for less favourable weather conditions for existing French wind sites and US hydros.

Projects under development

- ⚡ In France, Boralex announces the commissioning of the *Touvent* wind project (14 MW) while in Canada, Boralex confirms that it will exercise by December 31, 2016, at the latest, its option to acquire a 25% financial participation in the 230 MW *Niagara Wind Region Farm* wind project.
- ⚡ We anticipate commissioning the *Plateau de Savernat* (12 MW) wind project in France and the *Port Ryerse* (10 MW) wind project in Canada by the year-end.

Highlights

Q3 2016

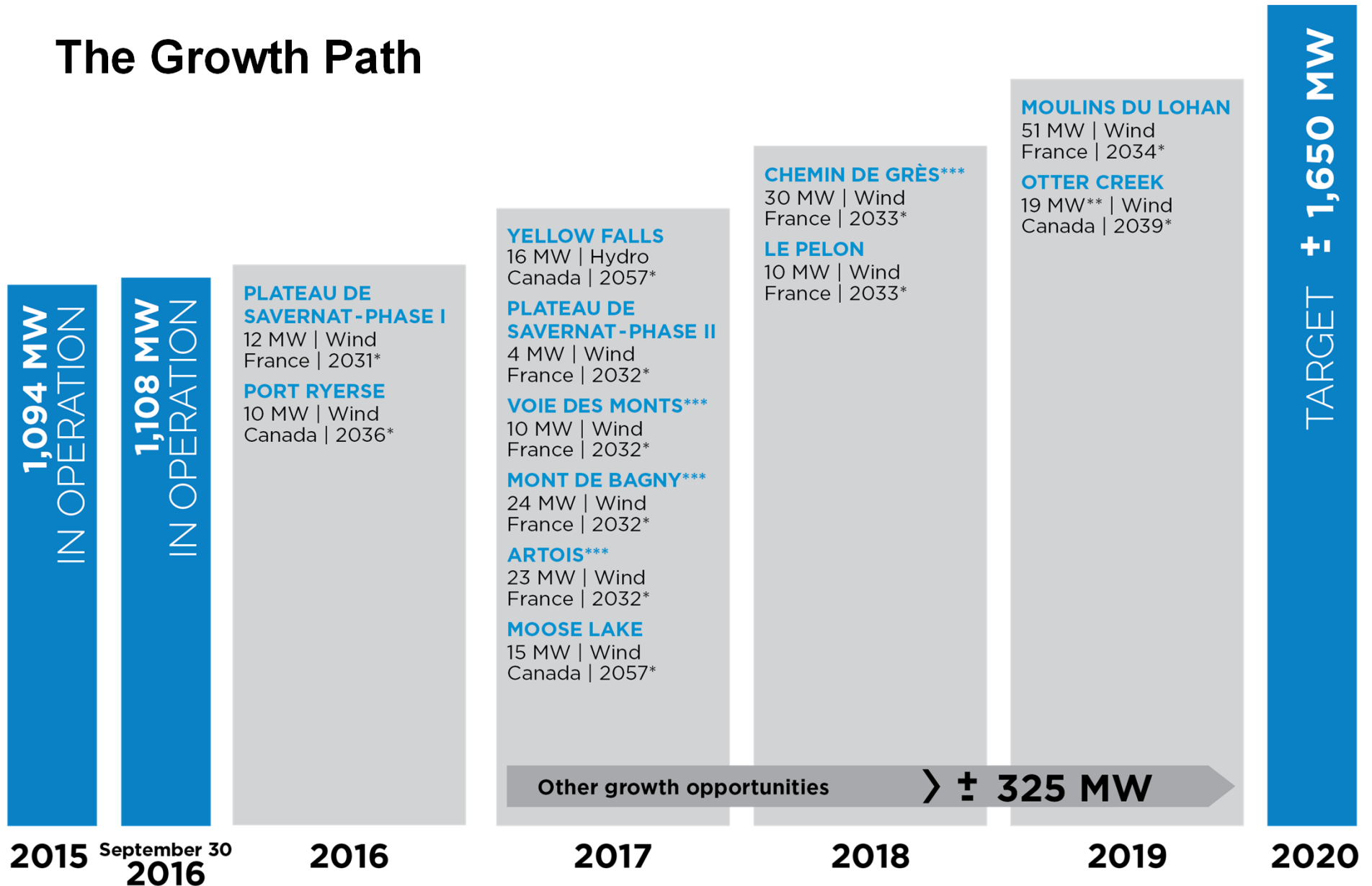
Development projects (cont.)

- ✦ Boralex adds two new projects to its growth path; *Le Pelon* (10 MW) and *Chemin de Grès* (30 MW) in France, which are scheduled to be commissioned in 2018. Considering these additions the growth path now stands at 224 MW.

- ✦ Boralex continues expanding its pipeline of projects:
 - Recent acquisition of a portfolio of nearly 200 MW located in France and in Scotland including the *Moulins du Lohan* project (51 MW in France) for which construction has already begun.
 - Boralex is selected as a partner by the Innu nation to realise the *Apuiat* project, a 200 MW wind farm (Canada).

- ✦ In addition to projects already included in the growth path, Boralex announces that 87 MW in France currently have non-recourse construction permits, a signed agreement with respect to interconnection as well as a locked-in price. Boralex anticipates that by the end of 2016 that an additional 200 to 250 MW will have a locked-in price.

The Growth Path



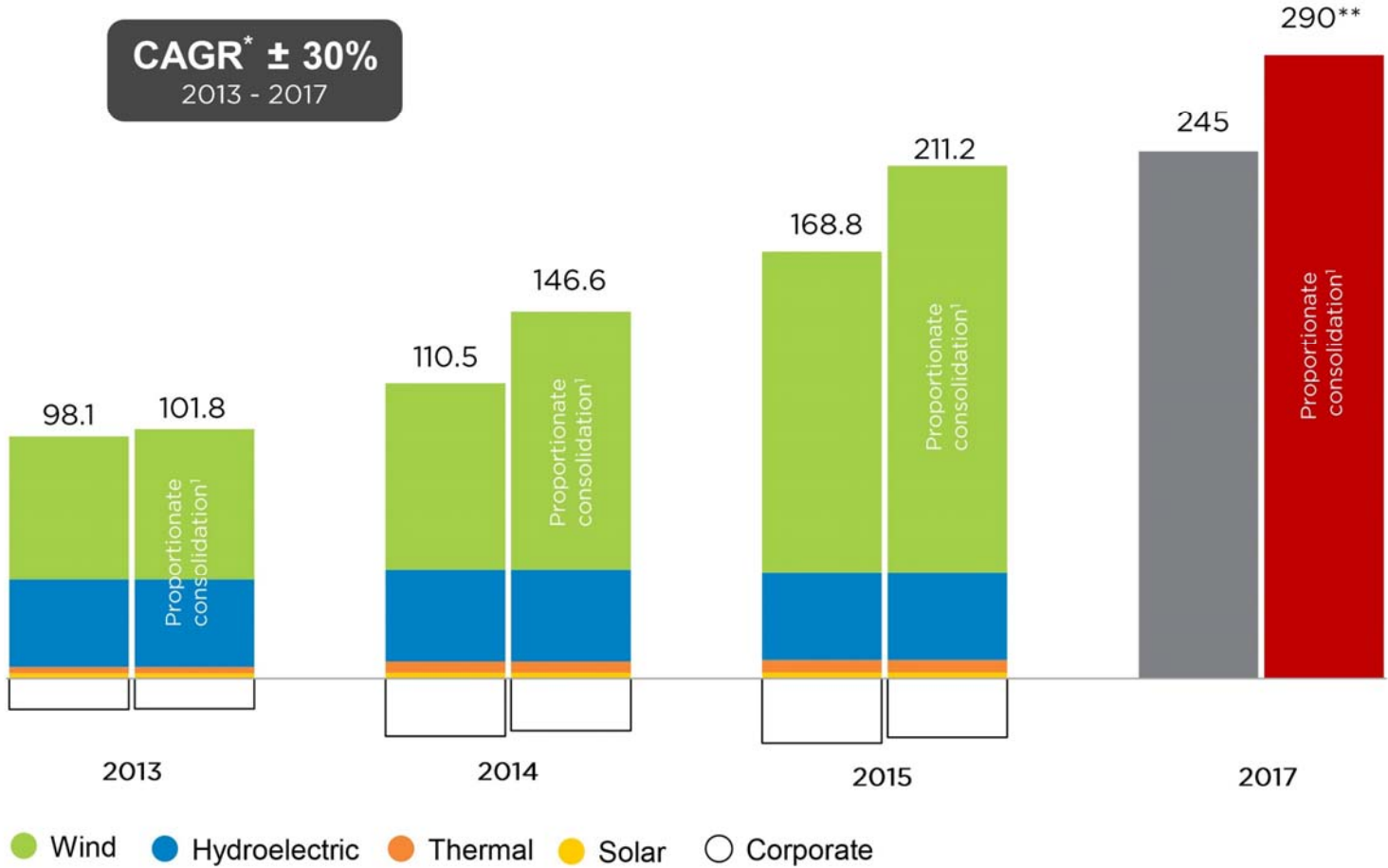
* Represent, in order: project name, installed capacity, segment, country and contract end-date.

** Boralex owns 38.5% of the 50 MW Otter Creek Wind Farm Project or 19.25 MW on a net basis

*** Part of the Ecotera wind power portfolio

Financial Target

EBITDA(A) (in millions of dollars)



* Compounded annual growth rate

** In line with the growth path. Represents a year-end estimated run rate EBITDA(A).

¹ EBITDA(A) according to proportionate consolidation basis (see *Reconciliations between IFRS and Proportionate consolidation* of the 2015 Annual Report)



**Mr. Jean-François
Thibodeau**

*Vice president and
Chief Financial Officer
Boralex Inc.*

Summary

Q3 2016

	Q3			
	IFRS		Proportionate Consolidation	
	2016	2015	2016	2015
<i>(in thousands of dollars, unless otherwise specified)</i>				
Power Production (GWh)	457.7	458.4	572.0	563.3
Revenues from energy sales	53,851	53,884	66,175	65,139
EBITDA(A)	24,571	27,749	35,152	38,380
EBITDA(A) margin (%)	45.6	51.5	53.1	58.9
Net loss *	(10,432)	(15,421)	(16,780)	(15,421)
Per share (basic) (\$)	(0.16)	(0.32)	(0.26)	(0.32)
Cash flow from operations	13,179	31,826	9,442	17,155

* Attributable to shareholders of Boralex

Summary

Q3 2016

	YTD			
	IFRS		Proportionate Consolidation	
	2016	2015	2016	2015
<i>(in thousands of dollars, unless otherwise specified)</i>				
Power Production (GWh)	1,845.0	1,542.7	2,222.5	1,959.4
Revenues from energy sales	224,863	184,595	265,568	229,298
EBITDA(A)	142,237	115,450	174,024	147,339
EBITDA(A) margin (%)	63.3	62.5	65.5	64.3
Net earnings (loss) *	2,842	(16,406)	(3,506)	(16,406)
Per share (basic) (\$)	0.04	(0.34)	(0.05)	(0.34)
Cash flow from operations	100,154	91,293	107,854	87,406

* Attributable to shareholders of Boralex

EBITDA(A) by sector

Q3 2016

	Q3			
	IFRS		Proportionate Consolidation	
	2016	2015	2016	2015
<i>(in thousands of dollars)</i>				
Wind	24,029	23,016	33,962	32,986
Hydroelectricity	8,168	8,911	8,168	8,911
Thermal	1,018	1,121	1,018	1,121
Solar	1,504	851	1,504	851
	34,719	33,899	44,652	43,869
Corporate and eliminations	(10,148)	(6,150)	(9,500)	(5,489)
EBITDA(A)	24,571	27,749	35,152	38,380

EBITDA(A) by sector

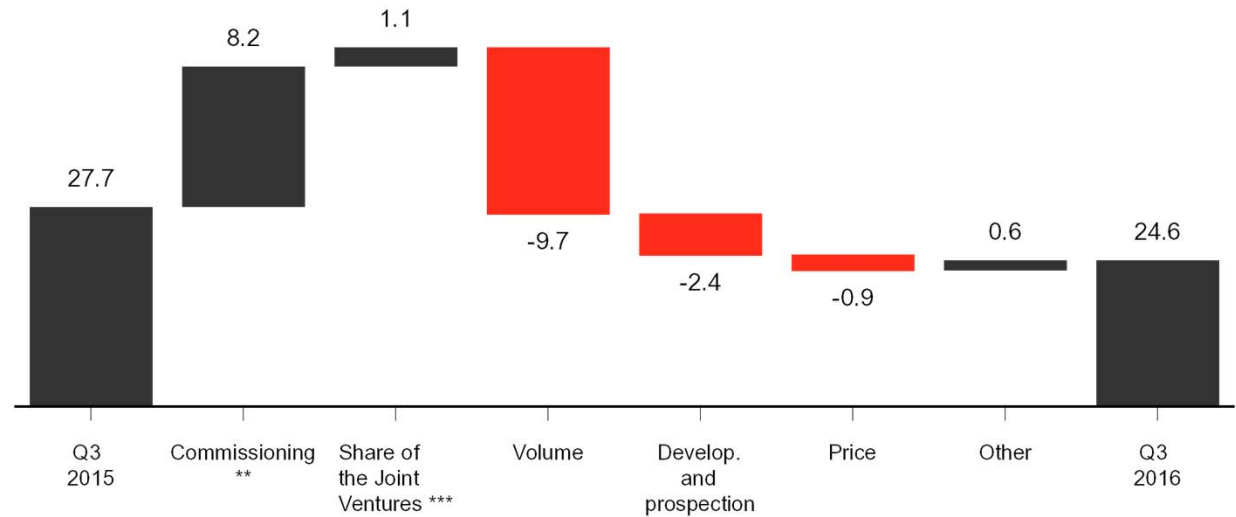
Q3 2016

	YTD			
	IFRS		Proportionate Consolidation	
	2016	2015	2016	2015
<i>(in thousands of dollars)</i>				
Wind	130,259	98,279	160,105	128,200
Hydroelectricity	31,862	30,899	31,862	30,899
Thermal	4,469	4,993	4,469	4,993
Solar	3,716	2,091	3,716	2,091
	170,306	136,262	200,152	166,183
Corporate and eliminations	(28,069)	(20,812)	(26,128)	(18,844)
EBITDA(A)	142,237	115,450	174,024	147,339

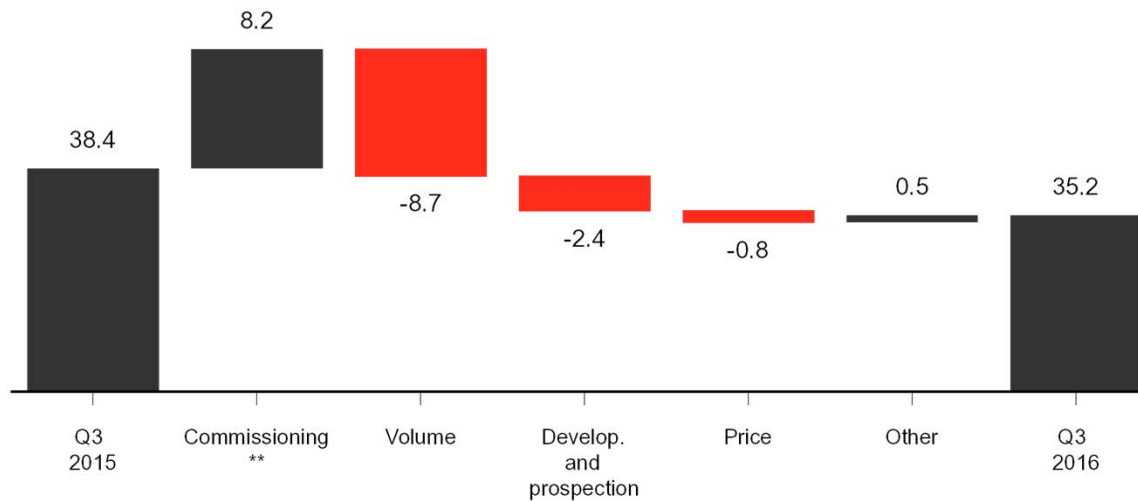
EBITDA(A) - Variance Analysis*

Q3 2016 vs 2015

IFRS



Proportionate Consolidation



* The amounts in these graphs are expressed in millions of dollars

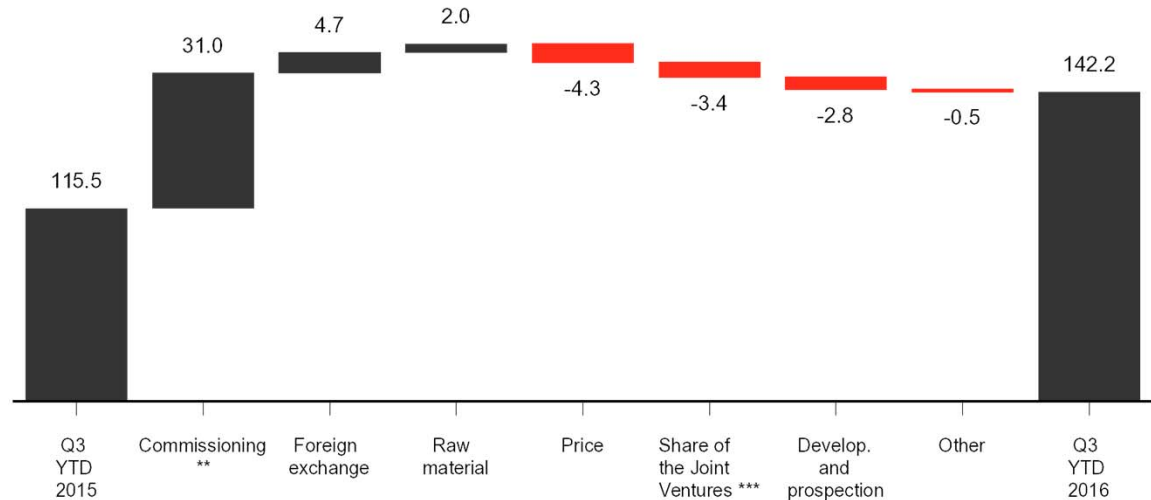
** Commissioning of 137.6 MW: the Témiscouata II, Côte-de-Beaupré, Calmont, Frampton and Touvent wind farms, and the Les Cigarettes and Vaughan solar sites

*** Excluding the Excess of distributions received over the share in net earnings of the Joint Ventures of \$8.6 M

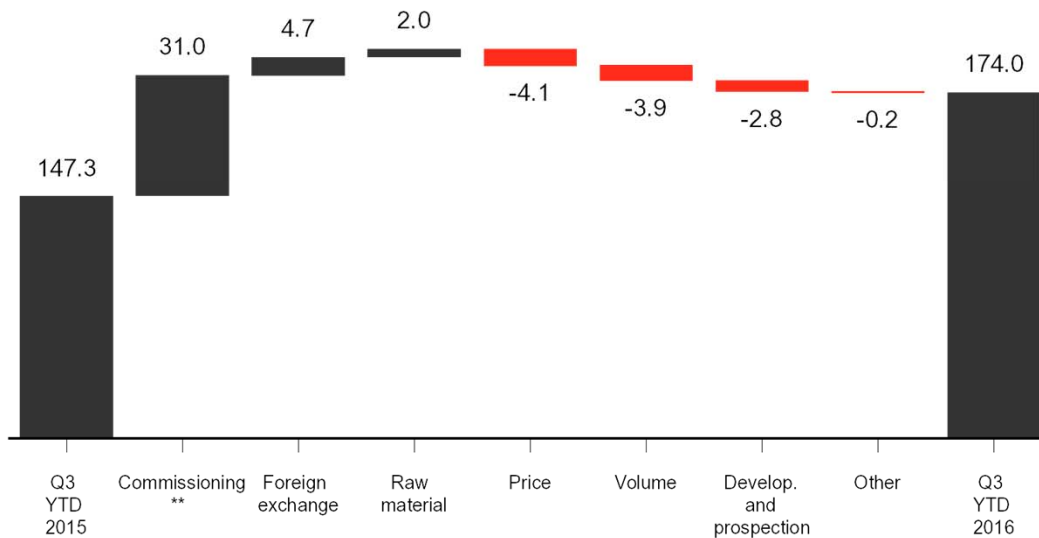
EBITDA(A) - Variance Analysis*

YTD 2016 vs 2015

IFRS



Proportionate Consolidation



* The amounts in these graphs are expressed in millions of dollars

** Commissioning of 170.4 MW: the St-François, Comes de l'Arce, Témiscouata II, Côte-de-Beaupré, Calmont, Frampton and Touvent wind farms, and the Les Cigarettes and Vaughan solar sites

*** Excluding the Excess of distributions received over the share in net earnings of the Joint Ventures of \$8.6 M

Sector Review Q3 2016

Wind Energy

	Q3			
	IFRS		Proportionate Consolidation	
	2016	2015	2016	2015
<i>(in thousands of dollars, unless otherwise specified)</i>				
Power production (GWh)	268.1	258.6	382.4	363.5
Power factor (%)	17.2	20.0	19.8	21.8
Revenues from energy sales	34,537	33,369	46,861	44,624
EBITDA(A)	24,029	23,016	33,962	32,986
EBITDA(A) margin (%)	69.6	69.0	72.5	73.9

Under Proportionate Consolidation

- ▲ Production was higher by 5% vs Q3 2015
 - ▲ Lower by 15% excluding the commissioned sites

PRODUCTION	
Canadian Stations	French Stations
Power factor of 27% 50% higher vs Q3 2015 8% higher excluding the contribution of newly-commissioned assets (Côte-de-Beaupré, Témiscouata II and Frampton)	Power factor of 14% 26% lower vs Q3 2015 30% lower excluding the contribution of newly-commissioned assets (Calmont and Touvent)

- ▲ Newly-commissioned assets had a positive impact on revenues and EBITDA(A) of \$9.2 M and \$7.5 M, respectively
- ▲ These favourable items were partially offset by lower production at existing sites for an impact of \$7.0 M on revenues and EBITDA(A)

Sector Review Q3 2016

Wind Energy

	YTD			
	IFRS		Proportionate Consolidation	
	2016	2015	2016	2015
<i>(in thousands of dollars, unless otherwise specified)</i>				
Power production (GWh)	1,206.0	945.8	1,583.5	1,362.5
Power factor (%)	26.0	24.8	27.5	27.6
Revenues from energy sales	158,173	119,097	198,878	163,800
EBITDA(A)	130,259	98,279	160,105	128,200
EBITDA(A) margin (%)	82.4	82.5	80.5	78.3

Sector Review Q3 2016

Hydro Energy

IFRS

	Q3		YTD	
	2016	2015	2016	2015
<i>(in thousands of dollars, unless otherwise specified)</i>				
Power production (GWh)	130.4	149.1	491.6	468.3
Revenues from energy sales	12,154	13,799	44,381	43,168
EBITDA(A)	8,168	8,911	31,862	30,899
EBITDA(A) margin (%)	67.2	64.6	71.8	71.6

▲ **Production lower by 13% compared to Q3 2015 and by 8% versus historical averages**

PRODUCTION	
Canadian Stations	US Stations
1% lower vs Q3 2015 9% higher vs historical averages	29% lower vs Q3 2015 30% lower vs historical averages

▲ **The decline in revenues and EBITDA(A) is explained by an unfavourable volume effect of \$1.8 M mainly due to lower production at US power stations and a negative price effect of \$0.3 M**

▲ **This decrease was softened by lower development expenses**

Sector Review Q3 2016

Thermal Energy

IFRS

	Q3		YTD	
	2016	2015	2015	2015
<i>(in thousands of dollars, unless otherwise specified)</i>				
Steam production ('000 lbs)	162.0	160.2	489.2	485.3
Power production (GWh)	51.9	48.8	129.2	123.6
Revenues from energy sales	5,447	5,753	18,039	19,956
EBITDA(A)	1,018	1,121	4,469	4,993
EBITDA(A) margin (%)	18.7	19.5	24.8	25.0

- ▲ At Blendecques, the steam prices decreased by 25% resulting in a negative impact of \$0.6 M on revenues and EBITDA(A), partially offset by a 26% decrease in natural gas costs for a positive impact of \$0.5 M on EBITDA(A)
- ▲ At Senneterre, EBITDA(A) rose by \$0.1 M owing to a reduction of maintenance costs and an increase in production of 6%, which more than offset the increase in raw material costs and operating salaries

Sector Review Q3 2016

Solar Energy

IFRS

	Q3		YTD	
	2016	2015	2016	2015
<i>(in thousands of dollars, unless otherwise specified)</i>				
Power production (GWh)	7.3	2.0	18.2	5.0
Power factor (%)	21.6	18.0	18.0	15.3
Revenues from energy sales	1,713	963	4,270	2,374
EBITDA(A)	1,504	851	3,716	2,091
EBITDA(A) margin (%)	87.8	88.4	87.0	88.1

- ▲ The commissioning of the Les Cigarettes and Vaughan sites had a positive impact of \$0.7 M on revenues and \$0.6 M on EBITDA(A)

Sector Review Q3 2016

Corporate

	Q3			
	IFRS		Proportionate Consolidation	
	2016	2015	2016	2015
<i>(in thousands of dollars)</i>				
Development	4,834	1,930	4,834	1,930
Administrative	3,610	1,543	3,610	1,543
Other expenses	1,704	2,677	1,056	2,016
Corporate EBITDA(A)	10,148	6,150	9,500	5,489

	YTD			
	IFRS		Proportionate Consolidation	
	2016	2015	2016	2015
<i>(in thousands of dollars)</i>				
Development	9,587	6,129	9,587	6,129
Administrative	12,320	9,868	12,320	9,868
Other expenses	6,162	4,815	4,221	2,847
Corporate EBITDA(A)	28,069	20,812	26,128	18,844

- ▲ The \$2,9 M increase in Q3 development expenses is in line with the ongoing development of our pipeline
- ▲ The \$2.1 M increase in Q3 administration expenses is mainly explained by accounting reclassification between the corporate and wind segment following the integration of ENEL in 2015

Cash Flows

Q3 2016

	Q3			
	IFRS		Proportionate Consolidation	
<i>(in thousands of dollars)</i>	2016	2015	2016	2015
Cash flows from operations	13,179	31,826	9,442	17,155
Changes in non-cash items	(979)	(9,639)	125	(9,363)
Operating activities	12,200	22,187	9,567	7,792
Investing activities	(163,716)	(153,486)	(163,750)	(147,888)
Financing activities	81,108	93,333	80,656	92,974
Other	517	2,928	517	2,928
Net change in cash	(69,891)	(35,038)	(73,010)	(44,194)
Cash and cash equivalents – beginning of period	142,395	126,055	153,518	141,350
Cash and cash equivalents – end of period	72,504	91,017	80,508	97,156

Cash Flows

Q3 2016

	YTD			
	IFRS		Proportionate Consolidation	
	2016	2015	2016	2015
<i>(in thousands of dollars)</i>				
Cash flows from operations	100,154	91,293	107,854	87,406
Changes in non-cash items	16,578	(6,981)	15,756	(5,943)
Operating activities	116,732	84,312	123,610	81,463
Investing activities *	(172,466)	(259,031)	(212,458)	(254,239)
Financing activities *	31,149	185,923	63,417	178,668
Other	(2,552)	4,419	(2,552)	4,419
Net change in cash	(27,137)	15,623	(27,983)	10,311
Cash and cash equivalents – beginning of period	99,641	75,394	108,491	86,845
Cash and cash equivalents – end of period	72,504	91,017	80,508	97,156

* During Q2-2016, Boralex received a payment of \$40.0 M in connection with the refinancing of the Joint Ventures Phase I. This amount was presented under Investing activities under IFRS. However, under Proportionate Consolidation the same amount is shown in Financing activities.

Financial Position

Q3 2016

	IFRS		Proportionate Consolidation	
	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015
<i>(in thousands of dollars, unless otherwise specified)</i>				
Cash and cash equivalent	72,504	99,641	80,508	108,491
Restricted cash	9,143	3,345	9,143	3,507
Total assets	2,474,180	2,449,042	2,866,156	2,806,307
Net debt ⁽¹⁾	1,406,078	1,341,617	1,747,817	1,646,316
Convertible debentures - nominal value	143,750	143,750	143,750	143,750
Average rate - total debt (%)	3.8	4.3	4.0	4.4
Equity attributable to shareholders of Boralex ⁽²⁾	489,126	544,659	482,261	544,142
Book value per share (in \$)	7.49	8.41	7.39	8.39
Net debt ratio (market capitalization)(%)	50.5	55.1	55.9	60.0

(1) Excludes Convertible debentures

(2) Excludes Non-controlling shareholders

Question Period

