



# Financial Review

1<sup>st</sup> Quarter 2017

May 4, 2017

# 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.

## *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*

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(A)", "cash flows from operations", "net debt ratio" and "discretionary cash flows". For more information, please refer to Boralex's MD&A.



# Mr. Patrick Lemaire

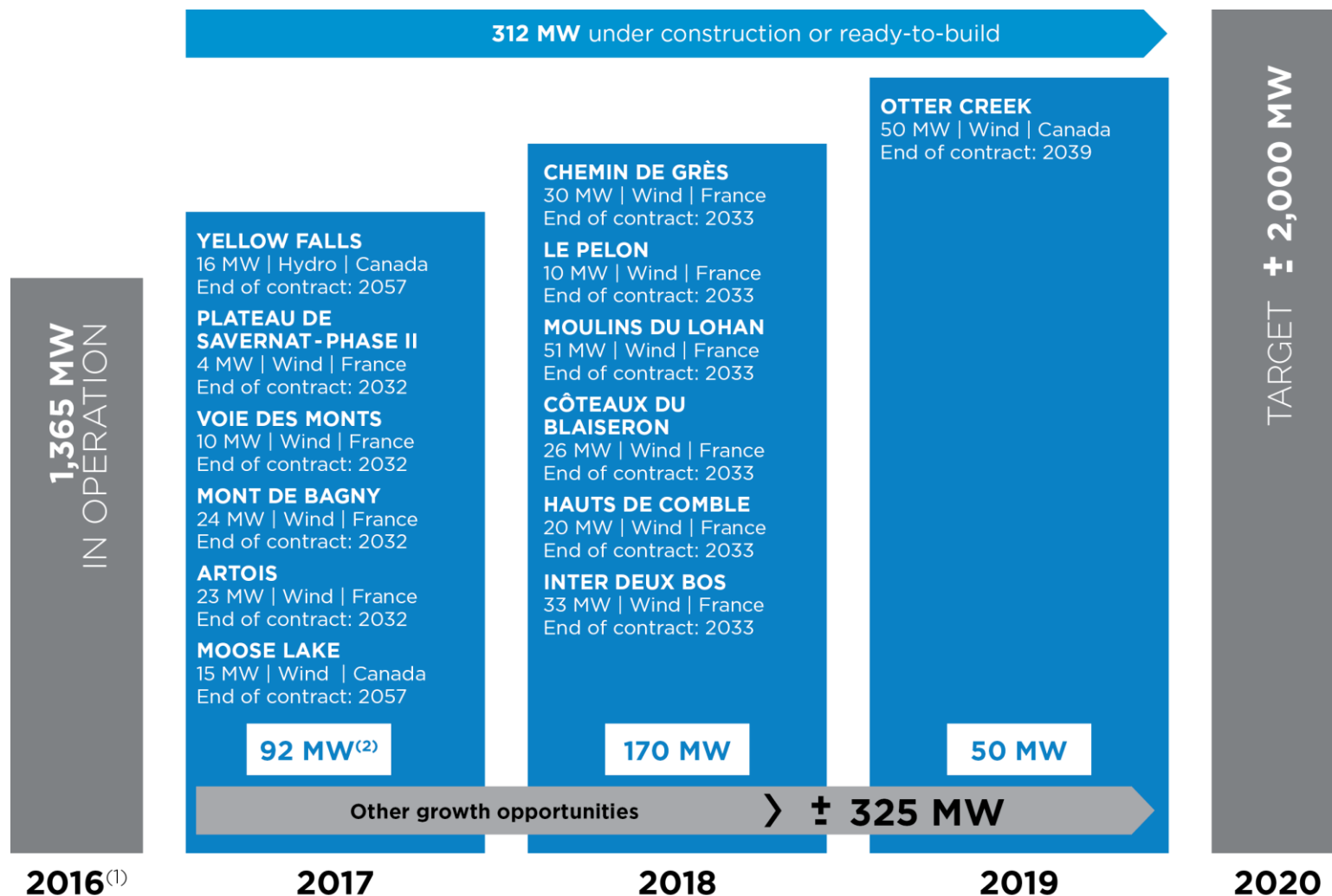
*President and  
Chief Executive Officer  
Boralex Inc.*

# Financial Highlights

## Q1 2017

- ⚡ Production, revenues from energy sales and EBITDA(A) all reach new heights due to the contribution of projects either acquired or commissioned in 2016 or in early 2017 as well as the good performance of most of the North-American assets. The combination of these factors more than compensated for the less favourable wind conditions in France and the devaluation of the Euro in comparison to the previous year.
- ⚡ During the first quarter, Boralex completed the most important transaction of its history, the *Niagara Region Wind Farm* (230 MW), translating into an immediate increase of installed capacity exceeding 20%. At the same time, Boralex issued 10.4 million new shares following the conversion of subscription receipts issued in December 2016.
- ⚡ Boralex was included in the S&P/TSX Composite Index. This important milestone should support the future liquidity of Boralex's stock considering that this index is used by Canadian portfolio managers in their benchmarking of relative performance.
- ⚡ Boralex adds 110 MW to its *Growth Path* including 79 MW of wind projects in France scheduled for commissioning in 2018. These projects will benefit from fixed and indexed prices and 15 year contracts. These additions support the objective of reaching 2,000 MW of installed capacity by the end of 2020, representing a 10% compounded annual growth rate compared to the current level.

# The Growth Path

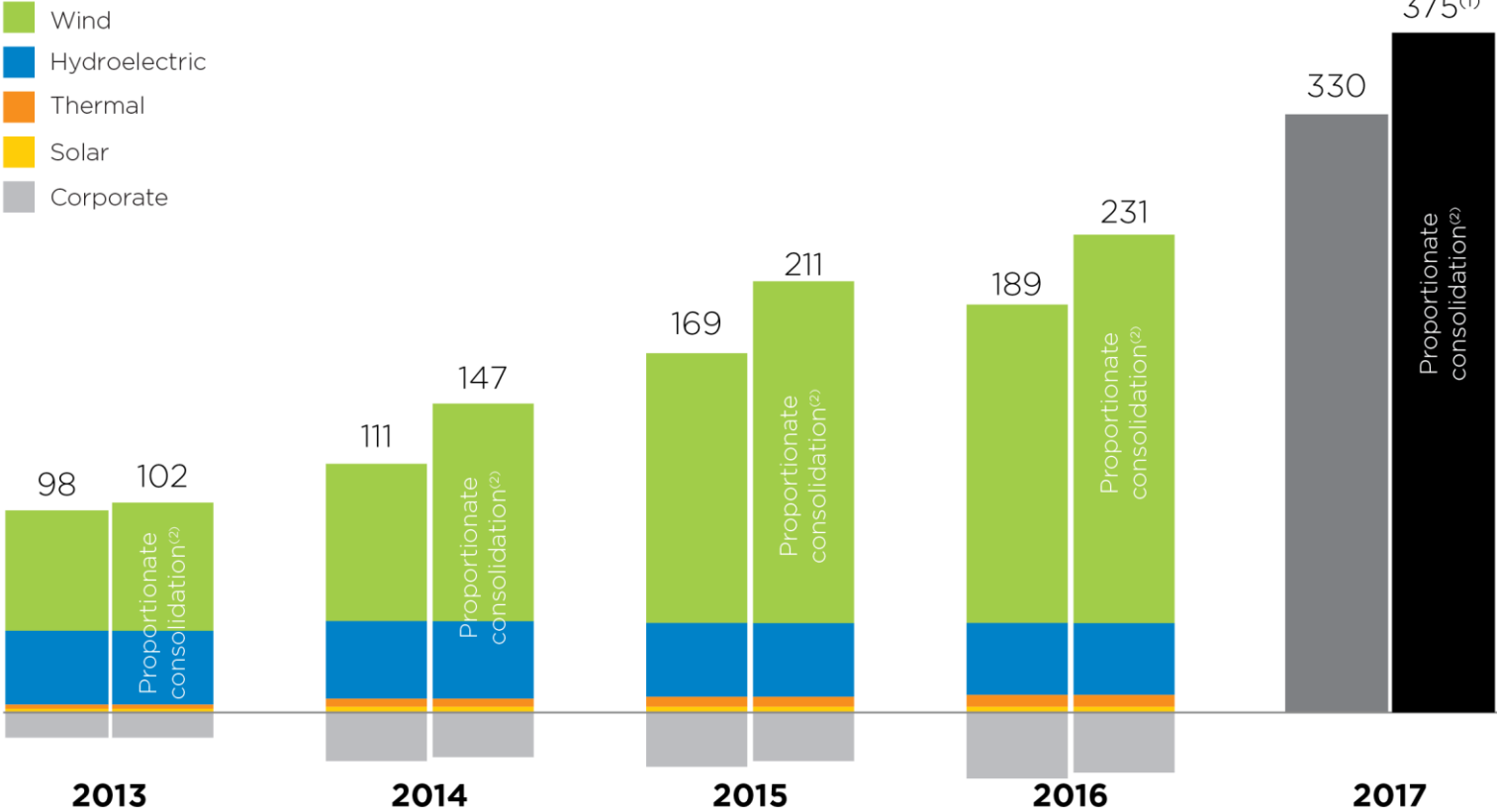


<sup>(1)</sup> Considering the acquisition of NRWF closed in January 2017

<sup>(2)</sup> Hydro 16 MW | Wind 76 MW

# Financial Target

**EBITDA(A)** (in millions of dollars)



<sup>(1)</sup> Represents a year-end estimated run rate EBITDA(A) of all sites in operation.  
<sup>(2)</sup> EBITDA(A) according to proportionate consolidation basis (see *Reconciliations between IFRS and proportionate consolidation* in previous Annual Reports).



**Mr. Jean-François  
Thibodeau**

*Vice president and  
Chief Financial Officer  
Boralex Inc.*

# Summary

## Q1 2017

	Q1			
	IFRS		Proportionate Consolidation	
	2017	2016	2017	2016
<i>(in millions of dollars, unless otherwise specified)</i>				
<b>Power Production (GWh)</b>	909	821	1,063	973
<b>Revenues from energy sales</b>	119	106	136	122
<b>EBITDA(A)</b>	87	80	97	90
<b>EBITDA(A) margin (%)</b>	73	75	72	74
<b>Net earnings<sup>(1)</sup></b>	16	21	16	21
<b>Per share (basic) (\$)</b>	0.22	0.32	0.22	0.32
<b>Per share (diluted) (\$)</b>	0.21	0.30	0.21	0.30
<b>Cash flow from operations</b>	58	60	69	70

(1) Attributable to shareholders of Boralex.



# EBITDA(A) by sector

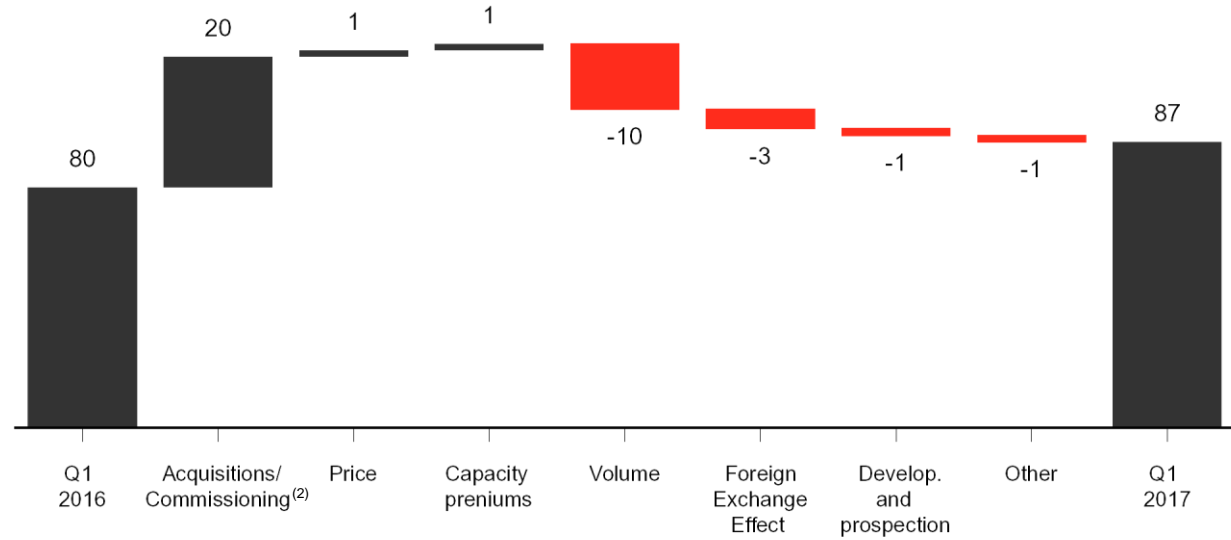
## Q1 2017

	Q1			
	IFRS		Proportionate Consolidation	
	2017	2016	2017	2016
<i>(in millions of dollars)</i>				
<b>Wind</b>	77	71	86	80
<b>Hydroelectricity</b>	13	13	13	13
<b>Thermal</b>	6	4	6	4
<b>Solar</b>	1	1	1	1
	97	89	106	98
<b>Corporate and eliminations</b>	(10)	(9)	(9)	(8)
<b>EBITDA(A)</b>	87	80	97	90

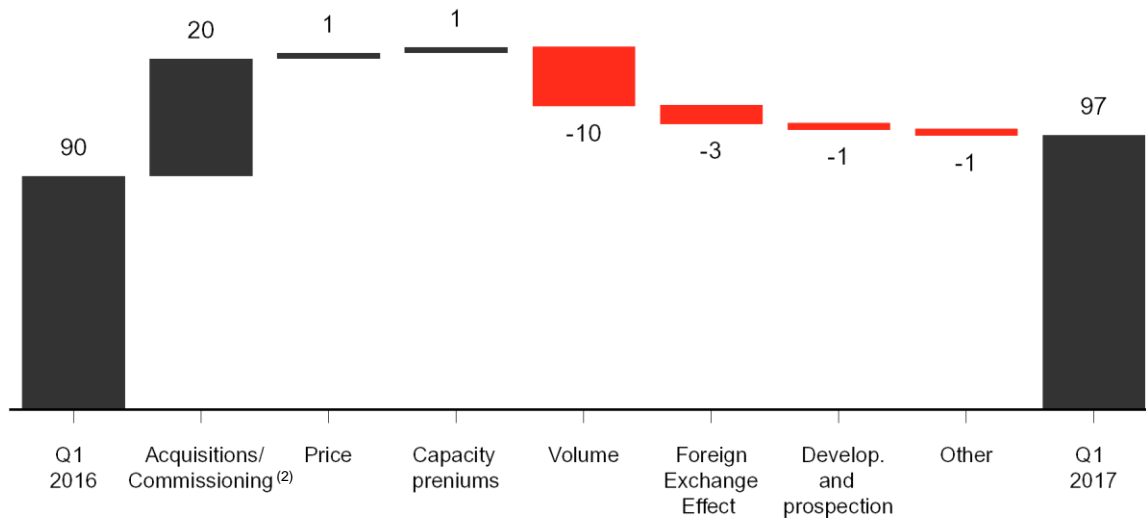
# EBITDA(A) - Variance Analysis <sup>(1)</sup>

## Q1 2017 vs 2016

IFRS



## Proportionate Consolidation



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

(2) Commissioning of 270 MW: the Touvent, Port Ryerse, Plateau de Savernat I, Oldman and NRW wind farms.

# Sector Review Q1 2017

## Wind Energy

	Q1			
	IFRS		Proportionate Consolidation	
	2017	2016	2017	2016
<i>(in millions of dollars, unless otherwise specified)</i>				
<b>Power production (GWh)</b>	655	581	809	733
<b>Capacity factor (%)</b>	32	37	34	38
<b>Revenues from energy sales</b>	88	78	105	94
<b>EBITDA(A)</b>	77	71	86	80
<b>EBITDA(A) margin (%)</b>	88	91	83	86

### Under Proportionate Consolidation

#### ▲ Production increased by 10% vs Q1 2016

##### ▲ Lower by 11% excluding the newly-commissioned sites

PRODUCTION	
Canadian Stations	French Stations
Capacity factor of 38% vs a 40% expectation 42% higher vs Q1 2016	Capacity factor of 29% vs a 31% expectation 17% lower vs Q1 2016
Stable excluding the contribution of newly-commissioned assets (Port Ryerse, Oldman and NRWF)	21% lower excluding the contribution of newly-commissioned assets (Touvent and Plateau de Savernat I)

#### ▲ Newly-commissioned assets had a favorable impact on revenues of \$25 million and of \$20 million on EBITDA(A).

#### ▲ These favourable items were partially offset by lower production at existing sites for an impact of \$11 million on revenues and EBITDA(A).

#### ▲ The fluctuation of the Euro had a negative impact of \$4 million on revenues and \$3 million on EBITDA(A).

# Sector Review Q1 2017

## Hydro Energy

	IFRS	
	Q1	
	2017	2016
<i>(in millions of dollars, unless otherwise specified)</i>		
<b>Power production (GWh)</b>	173	171
<b>Revenues from energy sales</b>	17	17
<b>EBITDA(A)</b>	13	13
<b>EBITDA(A) margin (%)</b>	77	75

▲ Production higher by 1% compared to Q1 2016 and by 12% versus historical averages.

PRODUCTION	
Canadian Stations	US Stations
6% higher vs Q1 2016 11% higher vs historical averages	1% lower vs Q1 2016 12% higher vs historical averages

# Sector Review Q1 2017

## Corporate

	Q1			
	IFRS		Proportionate Consolidation	
<i>(in millions of dollars)</i>	2017	2016	2017	2016
<b>Development</b>	3	2	3	2
<b>Administrative</b>	5	4	5	4
<b>Other expenses</b>	2	3	1	2
<b>Corporate EBITDA(A)</b>	10	9	9	8

# Cash Flows

## Q1 2017

	Q1			
	IFRS		Proportionate Consolidation	
<i>(in millions of dollars)</i>	<b>2017</b>	2016	<b>2017</b>	2016
Cash flows from operations	58	60	69	70
Changes in non-cash items	(4)	16	(9)	12
Operating activities	54	76	60	82
Investing activities	(121)	(21)	(121)	(21)
Financing activities	60	(14)	60	(14)
Other	—	(2)	—	(2)
<b>Net change in cash</b>	<b>(7)</b>	<b>39</b>	<b>(1)</b>	<b>45</b>
<b>Cash and cash equivalents – beginning of period</b>	<b>100</b>	<b>100</b>	<b>109</b>	<b>109</b>
<b>Cash and cash equivalents – end of period</b>	<b>93</b>	<b>139</b>	<b>108</b>	<b>154</b>

# Financial Position

## Q1 2017

	IFRS		Proportionate Consolidation	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
<i>(in millions of dollars, unless otherwise specified)</i>				
<b>Cash and cash equivalent</b>	93	100	108	109
<b>Restricted cash<sup>(1)</sup></b>	44	193	44	193
<b>Total assets</b>	3,644	2,702	4,024	3,084
<b>Net debt<sup>(2)</sup></b>	2,284	1,442	2,611	1,777
<b>Convertible debentures - nominal value</b>	144	144	144	144
<b>Average rate - total debt (%)</b>	3.8	3.9	3.9	4.1
<b>Equity attributable to shareholders of Boralex<sup>(3)</sup></b>	672	496	672	496
<b>Book value per share (in \$)</b>	8.86	7.58	8.85	7.57
<b>Net debt ratio (market capitalization) (%)</b>	56	50	59	56

(1) Includes restricted cash of \$170 million related to Subscription receipts as at December 31, 2016.

(2) Excludes Convertible debentures.

(3) Excludes Non-controlling shareholders.

# APPENDICES

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- ✎ Sector Review - Solar Energy p. 18



# Sector Review Q1 2017

## Thermal Energy

	IFRS	
	Q1	
	2017	2016
<i>(in millions of dollars, unless otherwise specified)</i>		
<b>Steam production ('000 lbs)</b>	171	171
<b>Power production (GWh)</b>	77	65
<b>Revenues from energy sales</b>	13	10
<b>EBITDA(A)</b>	6	4
<b>EBITDA(A) margin (%)</b>	45	41

# Sector Review Q1 2017

## Solar Energy

	IFRS	
	Q1	
	2017	2016
<i>(in millions of dollars, unless otherwise specified)</i>		
<b>Power production (GWh)</b>	4	4
<b>Capacity factor (%)</b>	13	12
<b>Revenues from energy sales</b>	1	1
<b>EBITDA(A)</b>	1	1
<b>EBITDA(A) margin (%)</b>	81	82



# Question Period