



# Financial Review

4<sup>th</sup> Quarter 2017



March 2, 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, changes in general market conditions, regulations governing 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", "EBITDA(A)", "cash flows from operations", "net debt ratio", "discretionary cash flows" and "payout ratio". For more information, please refer to Boralex's MD&A.



**Patrick Lemaire**

President and  
Chief Executive Officer



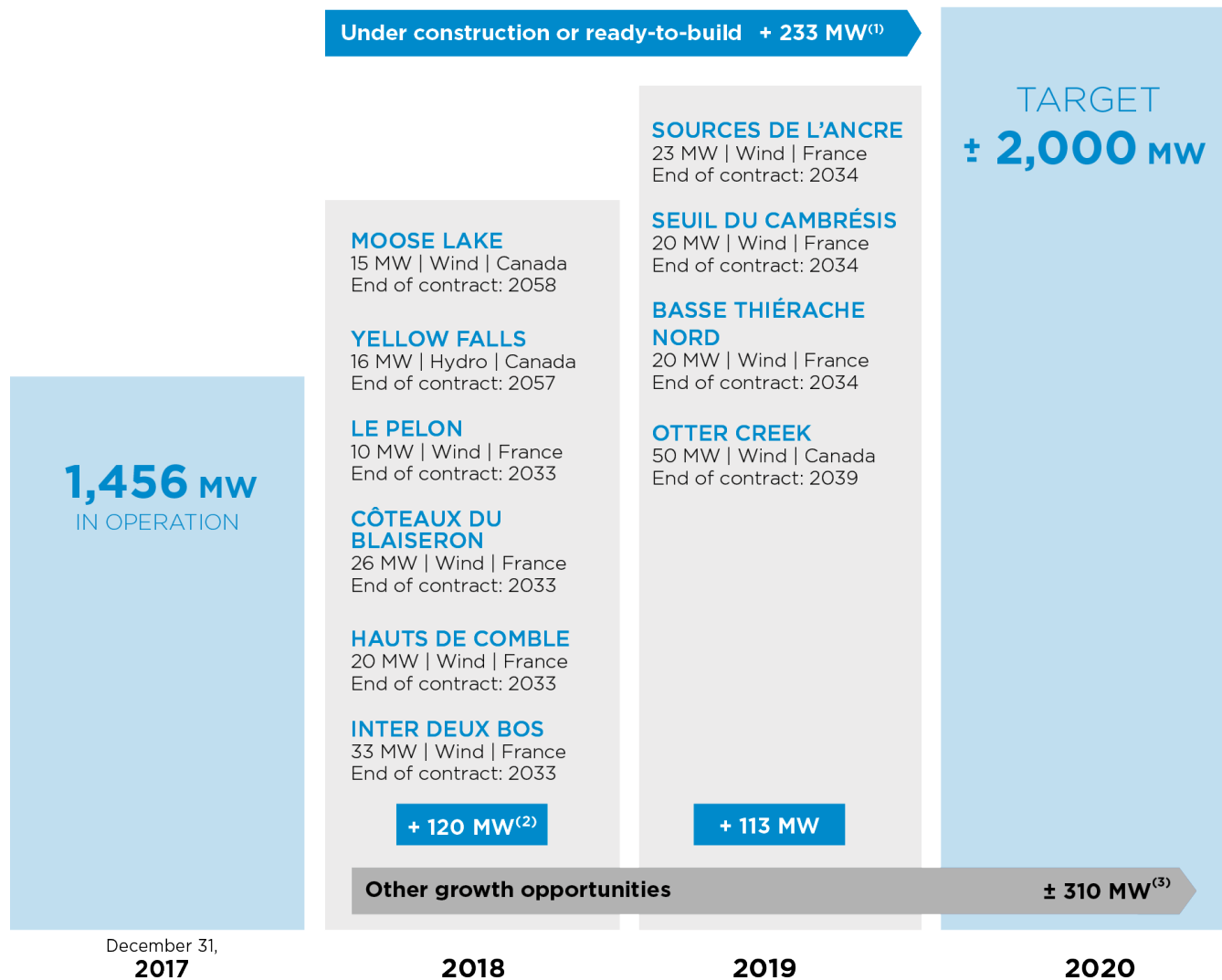


# Financial highlights

Q4 2017

- As a result of the contribution of assets either acquired or commissioned during the fiscal year, Boralex reports for the quarter ended December 31, 2017, a 66% increase in revenues to \$147 million and an 81% increase in EBITDA(A) to \$104 million. As a result, consolidated EBITDA(A) margins increase from 64% to 70%.
- Boralex commissions during the quarter 53 MW of new wind capacity in France and adds another 8 MW to the growth path. In addition, Boralex shortly expects a final decision with respect to the 10 MW expansion of the Buckingham hydro facility in Canada which would start construction this summer and has been awarded a 15 MW project in the most recent solar RFP in France.
- Introduction of a 2019 EBITDA end of year run-rate guidance estimated between \$405 and \$425 million.

# Growth path



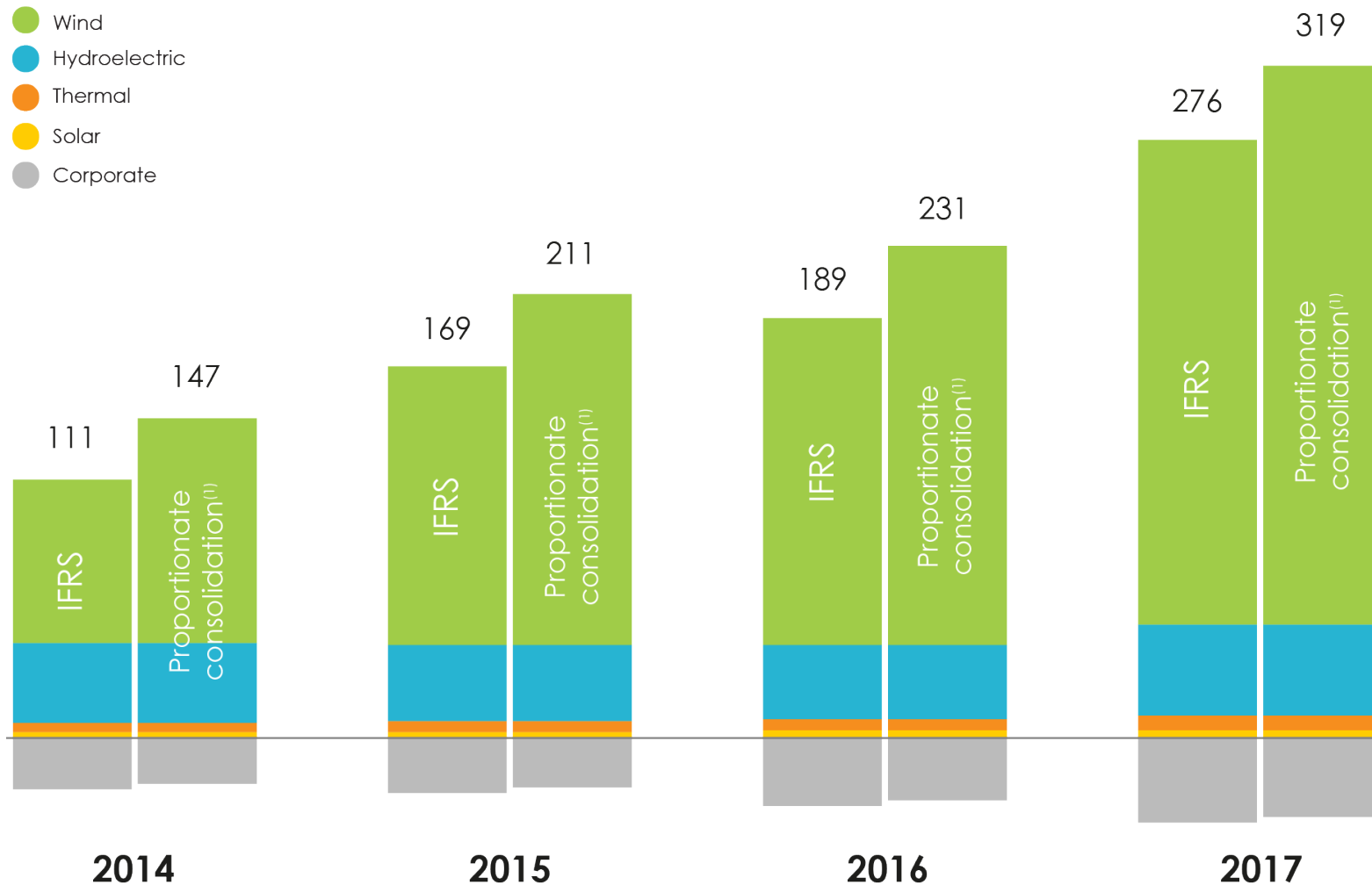
<sup>(1)</sup> France 152 MW | Canada 81 MW

<sup>(2)</sup> Hydro 16 MW | Wind 104 MW

<sup>(3)</sup> Including the Moulins du Lohan project (51 MW, wind, France). For more information on Moulins du Lohan project, see note section III - Other elements, Commitments and contingencies of the Annual report 2017.

# Historical data

**BAILIA(A)** (in millions of Canadian dollars)



<sup>(1)</sup> See Reconciliations between IFRS and proportionate consolidation in 2017 and previous Annual Reports.





**Jean-François  
Thibodeau**  
Vice president and  
Chief Financial Officer



# Summary

## Q4 2017 - Quarterly

	IFRS		Proportionate Consolidation <sup>(1)</sup>	
	2017	2016	2017	2016
(in millions of Canadian dollars, unless otherwise specified)				
Power Production (GWh) <sup>(2)</sup>	871	596	1,042	730
Revenues from energy sales	129	74	147	89
EBITDA(A) <sup>(1)</sup>	93	47	104	57
EBITDA(A) margin (%)	72	63	70	64
Net earning (loss) <sup>(3)</sup>	26	(5)	26	1
Per share (basic) (\$)	0.34	(0.07)	0.34	0.02
Per share (diluted) (\$)	0.32	(0.07)	0.32	0.02
Cash flows from operations <sup>(1)</sup>	69	28	79	36

<sup>(1)</sup> See the *Non-IFRS measures* section in the 2017 Annual Report.

<sup>(2)</sup> Power production, including the power limitation of 87 GWh for which Boralex was compensated, would have been 958 GWh under IFRS for the three-month periods ended December 31, 2017 (1,129 GWh under proportionate consolidation).

<sup>(3)</sup> Attributable to shareholders of Boralex.



# Summary

## Q4 2017 - YTD

	IFRS		Proportionate Consolidation <sup>(1)</sup>	
	2017	2016	2017	2016
(in millions of Canadian dollars, unless otherwise specified)				
Power Production (GWh) <sup>(2)</sup>	3,129	2,441	3,675	2,953
Revenues from energy sales	414	299	473	354
EBITDA(A) <sup>(1)</sup>	276	189	319	231
EBITDA(A) margin (%)	67	63	67	65
Net earnings (loss) <sup>(3)</sup>	22	(2)	22	(2)
Per share (basic and diluted) (\$)	0.29	(0.03)	0.29	(0.03)
Cash flows from operations <sup>(1)</sup>	195	128	210	144

<sup>(1)</sup> See the *Non-IFRS measures* section in the 2017 Annual Report.

<sup>(2)</sup> Power production including the power limitation of 89 GWh for which Boralex was compensated would have been 3,218 GWh under IFRS for the year ended December 31, 2017 (3,764 GWh under proportionate consolidation).

<sup>(3)</sup> Attributable to shareholders of Boralex.

# EBITDA(A)<sup>(1)</sup> by segment

Q4 2017 - Quarterly

	IFRS		Proportionate Consolidation <sup>(1)</sup>	
	2017	2016	2017	2016
(in millions of Canadian dollars)				
Wind	95	46	106	55
Hydroelectricity	10	9	10	9
Thermal	2	1	2	1
Solar	1	1	1	1
	108	57	119	66
Corporate and eliminations	(15)	(10)	(15)	(9)
EBITDA(A) <sup>(1)</sup>	93	47	104	57

<sup>(1)</sup> See the *Non-IFRS measures* section in the 2017 Annual Report.

# EBITDA(A)<sup>(1)</sup> by segment

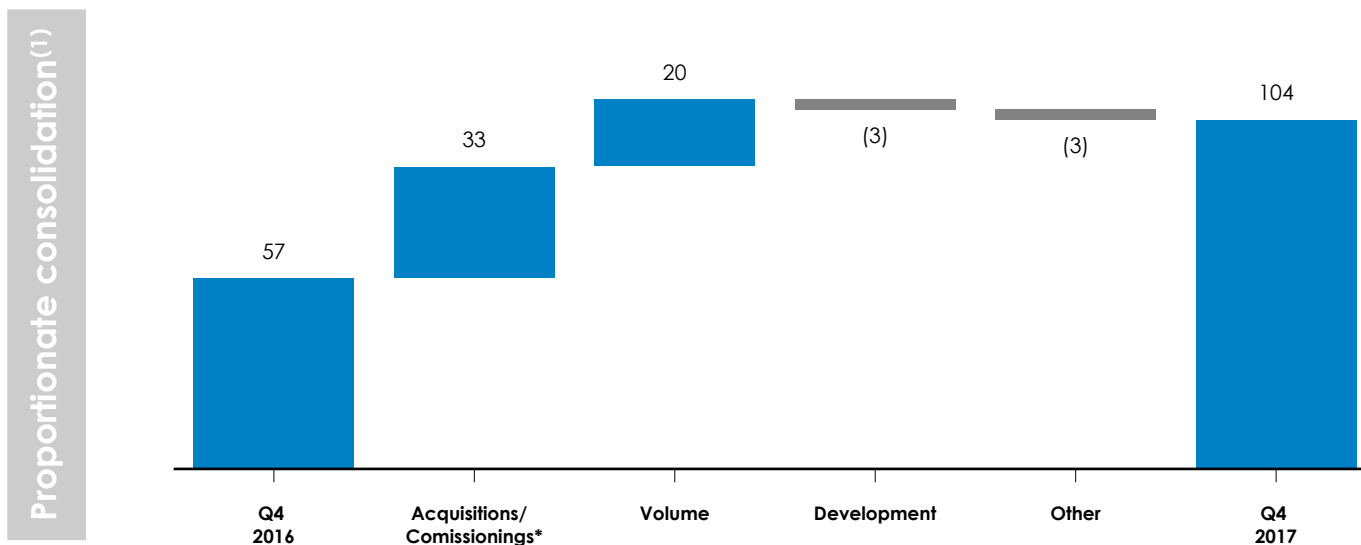
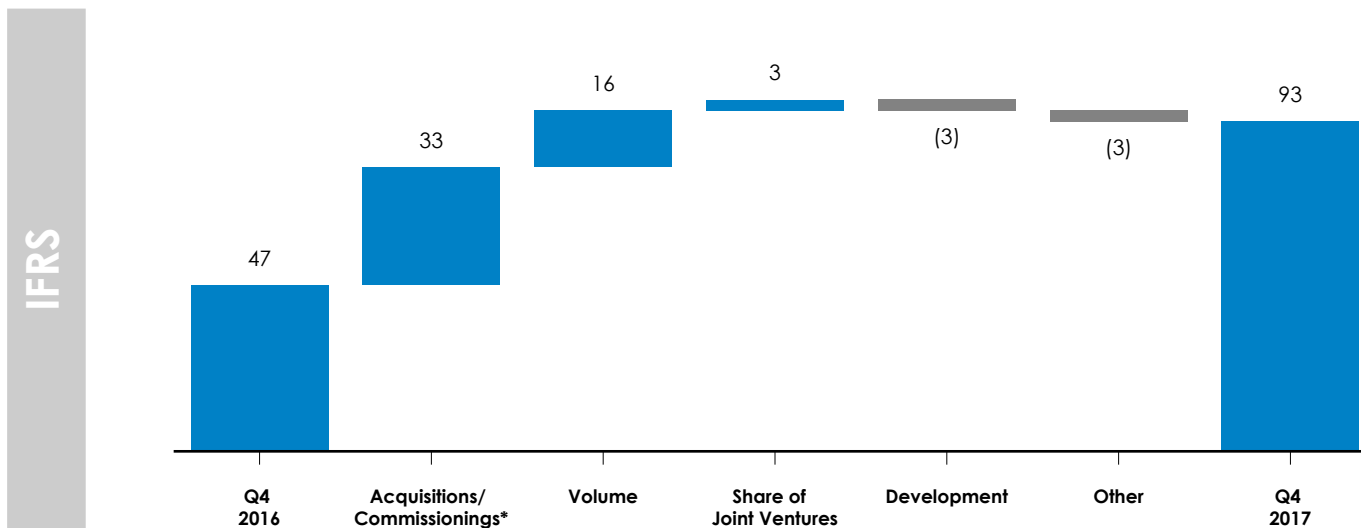
Q4 2017 - YTD

	IFRS		Proportionate Consolidation <sup>(1)</sup>	
	2017	2016	2017	2016
(in millions of Canadian dollars)				
Wind	261	176	301	215
Hydroelectricity	49	40	49	40
Thermal	8	6	8	6
Solar	4	4	4	4
	322	226	362	265
Corporate and eliminations	(46)	(37)	(43)	(34)
EBITDA(A) <sup>(1)</sup>	276	189	319	231

<sup>(1)</sup> See the *Non-IFRS measures* section in the 2017 Annual Report.

# EBITDA(A)<sup>(1)</sup> - Variance analysis<sup>(2)</sup>

Q4 2017 vs 2016 - Quarterly



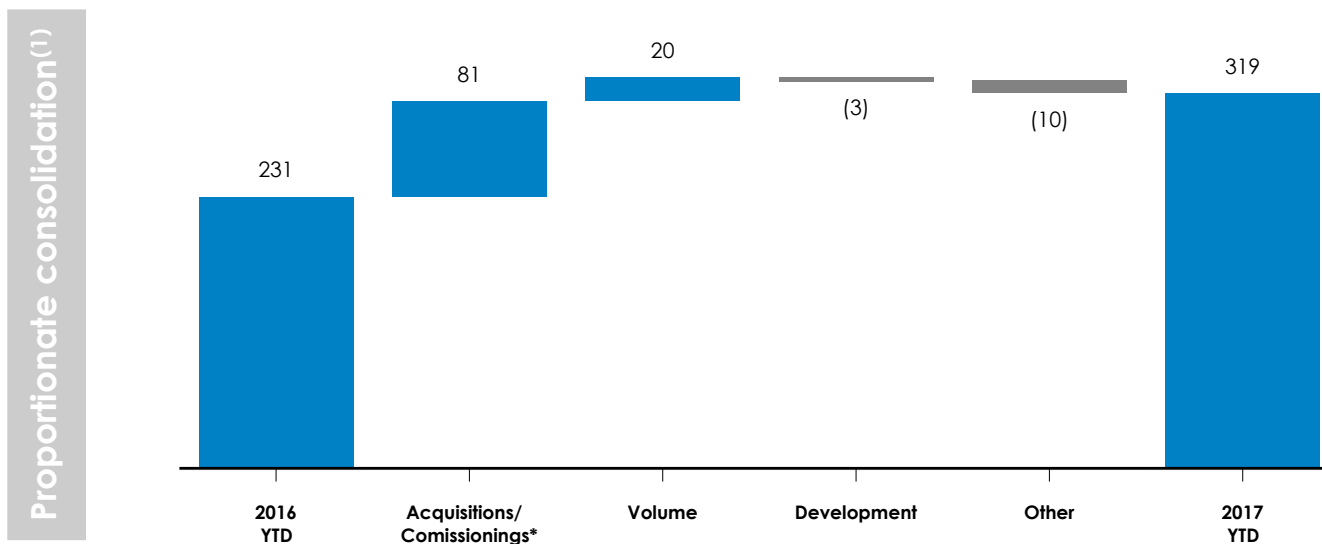
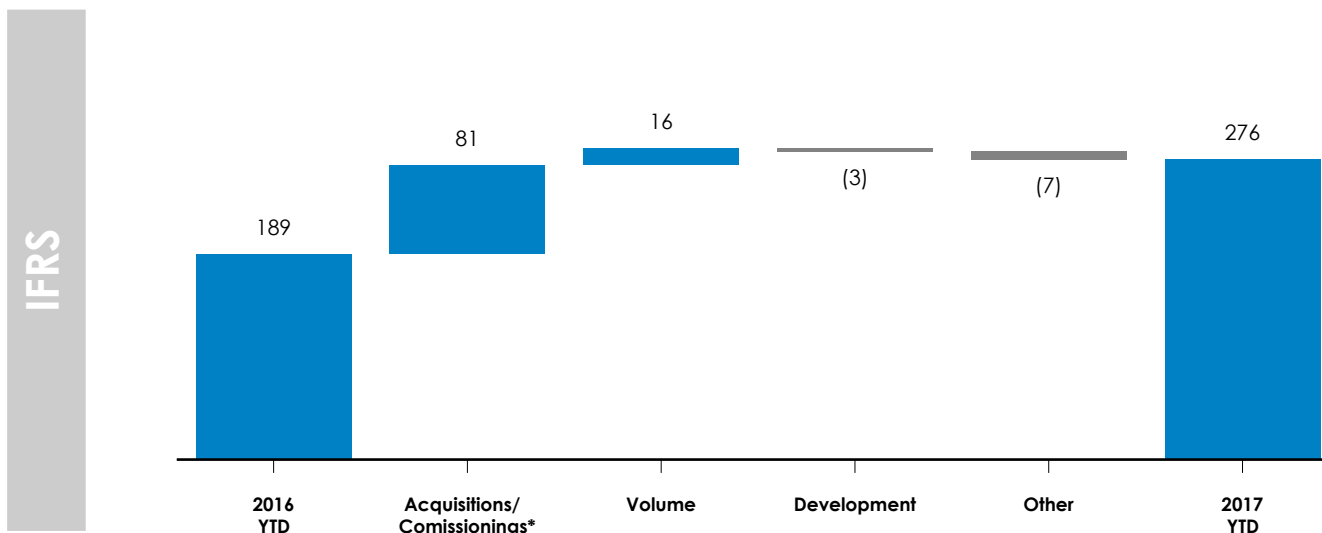
<sup>(1)</sup> See the *Non-IFRS measures* section in the 2017 Annual Report.

<sup>(2)</sup> The amounts in these graphs are expressed in millions of Canadian dollars.

\* Commissioning and acquisition of 347 MW: Port Ryerse, Plateau de Savernat I and II, Oldman, NRW, Voie des Monts, Mont de Bagny, Artois and Chemin de Grès wind farms.

# EBITDA(A)<sup>(1)</sup> - Variance Analysis<sup>(2)</sup>

YTD 2017 vs 2016 - YTD



<sup>(1)</sup> See the Non-IFRS measures section in the 2017 Annual Report.

<sup>(2)</sup> The amounts in these graphs are expressed in millions of Canadian dollars.

\* Commissioning and acquisition of 361 MW: Touvent, Port Ryerse, Plateau de Savernat I and II, Oldman, NRW, Voie des Monts, Mont de Bagny, Artois and Chemin de Grès wind farms.

# Segment Review Q4 2017

## Wind Energy - Quarterly

	IFRS		Proportionate Consolidation <sup>(1)</sup>	
	2017	2016	2017	2016
(in millions of Canadian dollars, unless otherwise specified)				
Power production (GWh) <sup>(2)</sup>	676	418	847	552
Capacity factor (%) <sup>(2)</sup>	34	26	36	28
Revenues from energy sales	107	54	125	69
EBITDA(A) <sup>(1)</sup>	95	46	106	55
EBITDA(A) margin (%)	90	85	85	81

<sup>(1)</sup> See the *Non-IFRS measures* section in the 2017 Annual Report.

<sup>(2)</sup> Power production including the power limitation of 87 GWh imposed by the Independent Electricity System Operator ("IESO") for the Niagara site, for which Boralex was compensated, would have been 763 GWh in IFRS for the three-month periods ended December 31, 2017 (934 GWh in proportionate consolidation). Capacity factor calculations consider this adjustment.

### Under Proportionate Consolidation

- Production increased by 53% vs Q4 2016.
  - 25% higher than Q4 2016 excluding the newly-commissioned sites.

Canadian stations
Capacity factor of 41% vs 39% expected vs 36% at Q4 2016 Production: 19% higher excluding the contribution of newly-commissioned assets (Port Ryerse, Oldman and NRW)

French stations
Capacity factor of 29% vs 32% expected vs 22% at Q4 2016 Production: 32% higher excluding the contribution of newly-commissioned assets (Plateau de Savernat I and II, Voie des Monts, Mont de Bagny, Artois and Chemin de Grès)

- Newly-commissioned assets had a favorable impact on revenues of \$37 million and of \$33 million on EBITDA (A), respectively.

# Segment Review Q4 2017

**Wind** Energy - YTD

	IFRS		Proportionate Consolidation <sup>(1)</sup>	
(in millions of Canadian dollars, unless otherwise specified)	2017	2016	2017	2016
Power production (GWh) <sup>(2)</sup>	2,204	1,624	2,750	2,136
Capacity factor (%) <sup>(2)</sup>	27	26	28	27
Revenues from energy sales	315	212	374	267
EBITDA(A) <sup>(1)</sup>	261	176	301	215
EBITDA(A) margin (%)	83	83	81	81

<sup>(1)</sup> See the *Non-IFRS measures* section in the 2017 Annual Report.

<sup>(2)</sup> Power production including the power limitation of 89 GWh, imposed by the IESO for the Niagara site, for which Boralex was compensated, would have been 2,293 GWh in IFRS for the year ended December 31, 2017 (2,839 GWh in proportionate consolidation). Capacity factor calculations consider this adjustment.



# Segment Review Q4 2017

## Hydro Energy - IFRS

	Quarterly		YTD	
	2017	2016	2017	2016
(in millions of Canadian dollars, unless otherwise specified)				
Power production (GWh)	159	140	729	632
Revenues from energy sales	14	12	65	57
EBITDA(A) <sup>(1)</sup>	10	9	49	40
EBITDA(A) margin (%)	70	68	75	71

<sup>(1)</sup> See the *Non-IFRS measures* section in the 2017 Annual Report.

- Production higher by 14% compared to Q4 2016 and lower by 5% versus historical averages.

Canadian power stations	US power stations
3% lower vs Q4 2016 3% higher vs historical averages	32% higher vs Q4 2016 10% lower vs historical averages

- As a reminder, starting in December 2017, the contracted price of the Hudson Falls facility (46 MW) goes down from US\$80.58 to US\$48.27 until the end of 2025.

# Segment Review Q4 2017

## Corporate

### Quarterly

	IFRS		Proportionate Consolidation <sup>(1)</sup>	
	2017	2016	2017	2016
(in millions of Canadian dollars)				
Development	6	3	6	3
Administrative	7	5	7	5
Other expenses	2	2	2	1
Corporate EBITDA(A) <sup>(1)</sup>	15	10	15	9

### YTD

	IFRS		Proportionate Consolidation <sup>(1)</sup>	
	2017	2016	2017	2016
(in millions of Canadian dollars)				
Development	15	13	15	13
Administrative	23	17	23	17
Other expenses	8	7	5	4
Corporate EBITDA(A) <sup>(1)</sup>	46	37	43	34

<sup>(1)</sup> See the *Non-IFRS measures* section in the 2017 Annual Report.

# Cash Flows

## Q4 2017 - Quarterly

	IFRS		Proportionate Consolidation <sup>(1)</sup>	
	2017	2016	2017	2016
(in millions of Canadian dollars)				
Cash flows from operations <sup>(1)</sup>	69	28	79	36
Changes in non-cash items	(50)	1	(52)	(2)
Operating activities	19	29	27	34
Investing activities	(54)	(86)	(54)	(85)
Financing activities	55	85	50	80
Other	1	(1)	1	(1)
<b>Net change in cash</b>	<b>21</b>	<b>27</b>	<b>24</b>	<b>28</b>
<b>Cash and cash equivalents – beginning of period</b>	<b>94</b>	<b>73</b>	<b>102</b>	<b>81</b>
<b>Cash and cash equivalents – end of period</b>	<b>115</b>	<b>100</b>	<b>126</b>	<b>109</b>

<sup>(1)</sup> See the *Non-IFRS measures* section in the 2017 Annual Report.

# Cash Flows

Q4 2017 - YTD

	IFRS		Proportionate Consolidation <sup>(1)</sup>	
	2017	2016	2017	2016
(in millions of Canadian dollars)				
Cash flows from operations <sup>(1)</sup>	195	128	210	144
Changes in non-cash items	(50)	20	(48)	18
Operating activities	145	148	162	162
Investing activities <sup>(2)</sup>	(345)	(258)	(345)	(297)
Financing activities <sup>(2)</sup>	214	114	199	140
Other	1	(4)	1	(4)
<b>Net change in cash</b>	15	—	17	1
<b>Cash and cash equivalents – beginning of year</b>	100	100	109	108
<b>Cash and cash equivalents – end of year</b>	115	100	126	109

<sup>(1)</sup> See the *Non-IFRS measures* section in the 2017 Annual Report.

<sup>(2)</sup> During Q2-2016, Boralex received a payment of \$40 million in connection with the refinancing of the Joint Venture 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

## Q4 2017

	IFRS		Proportionate Consolidation <sup>(1)</sup>	
	December 31, <b>2017</b>	December 31, <b>2016</b>	December 31, <b>2017</b>	December 31, <b>2016</b>
(in millions of Canadian dollars, unless otherwise specified)				
Cash and cash equivalent	115	100	126	109
Restricted cash <sup>(2)</sup>	35	193	35	193
Total assets	3,926	2,702	4,288	3,084
Net debt <sup>(1)(2)</sup>	2,519	1,442	2,837	1,777
Convertible debentures - nominal value	144	144	144	144
Average rate - total debt (%)	3.8	3.9	3.9	4.1
Equity attributable to shareholders of Boralex <sup>(3)</sup>	685	496	685	496
Book value per share (in \$)	9.04	7.58	9.04	7.57
Net debt ratio (market capitalization) (%) <sup>(1)</sup>	56	50	59	56

<sup>(1)</sup> See the *Non-IFRS measures* section in the 2017 Annual Report.

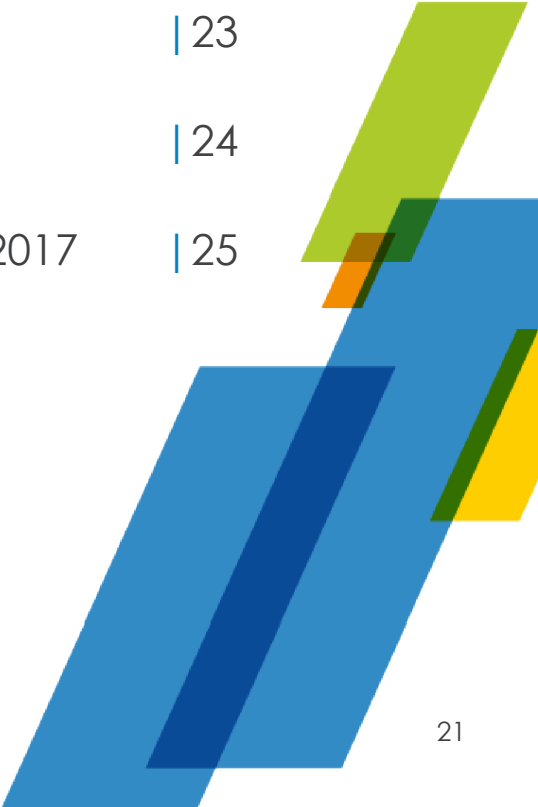
<sup>(2)</sup> Excludes Convertible debentures and restricted cash related to Subscription receipts as 31 December, 2016.

<sup>(3)</sup> Excludes Non-controlling shareholders.



# APPENDICES

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# Segment Review Q4 2017

## Thermal Energy - IFRS

	Quarterly		YTD	
	2017	2016	2017	2016
(in millions of Canadian dollars, unless otherwise specified)				
Steam production ('000 lbs)	163	166	662	655
Power production (GWh)	31	34	173	163
Revenues from energy sales	7	7	28	25
EBITDA(A) <sup>(1)</sup>	2	1	8	6
EBITDA(A) margin (%)	26	21	29	24

<sup>(1)</sup> See the Non-IFRS measures section in the 2017 Annual Report.





# Segment Review Q4 2017

## Solar Energy - IFRS

	Quarterly		YTD	
	2017	2016	2017	2016
(in millions of Canadian dollars, unless otherwise specified)				
Power production (GWh)	5	4	23	22
Capacity factor (%)	12	11	17	16
Revenues from energy sales	1	1	6	5
EBITDA(A) <sup>(1)</sup>	1	1	4	4
EBITDA(A) margin (%)	74	74	81	85

<sup>(1)</sup> See the Non-IFRS measures section in the 2017 Annual Report.

## Quarterly 2018 Estimates

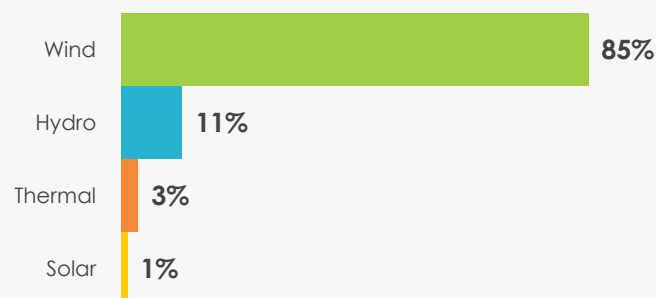
	Q1	Q2	Q3	Q4	Total
Canada	40 %	29 %	23 %	39 %	33%
France	31 %	24 %	22 %	31 %	27%
Weighted capacity factor	35 %	27 %	22 %	35 %	30%

# Segment and geographic breakdown as at December 31, 2017

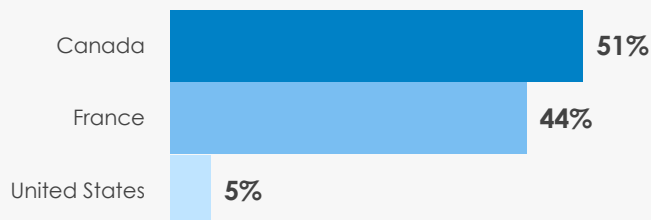
## Installed capacity

1,456 MW<sup>(1)(3)</sup>

### Segment breakdown



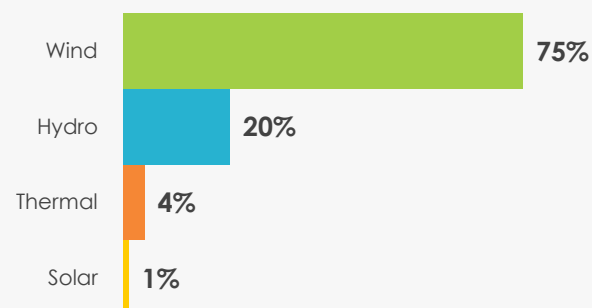
### Geographic breakdown



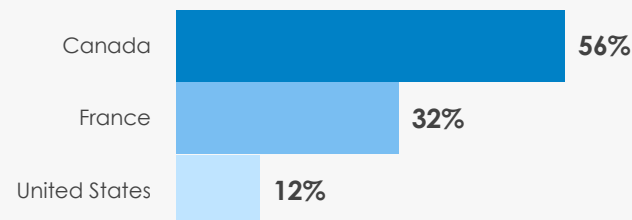
## Power production

3,129 GWh<sup>(2)</sup> and 3,675 GWh<sup>(3)</sup>

### Segment breakdown<sup>(4)</sup>



### Geographic breakdown<sup>(4)</sup>



<sup>(1)</sup> These data include the 230 MW Niagara Region Wind Farm located in Ontario (Canada), of which the acquisition was announced by Boralex in December 2016 and was completed in January 2017

<sup>(2)</sup> Under IFRS.

<sup>(3)</sup> Under proportionate consolidation

<sup>(4)</sup> Under proportionate consolidation. Under IFRS, the wind, hydro, thermal and solar segments represent respectively 70%, 23%, 6% and 1%, and Canada, France and the United States represent respectively, 49%, 37% and 14%.



Question period

# BORALEX



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