



Financial Review

3rd Quarter 2018



November 9, 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 above and elsewhere in this 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* (as defined in note 5 to Boralex's interim financial statements). 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 for investors. 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 also 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





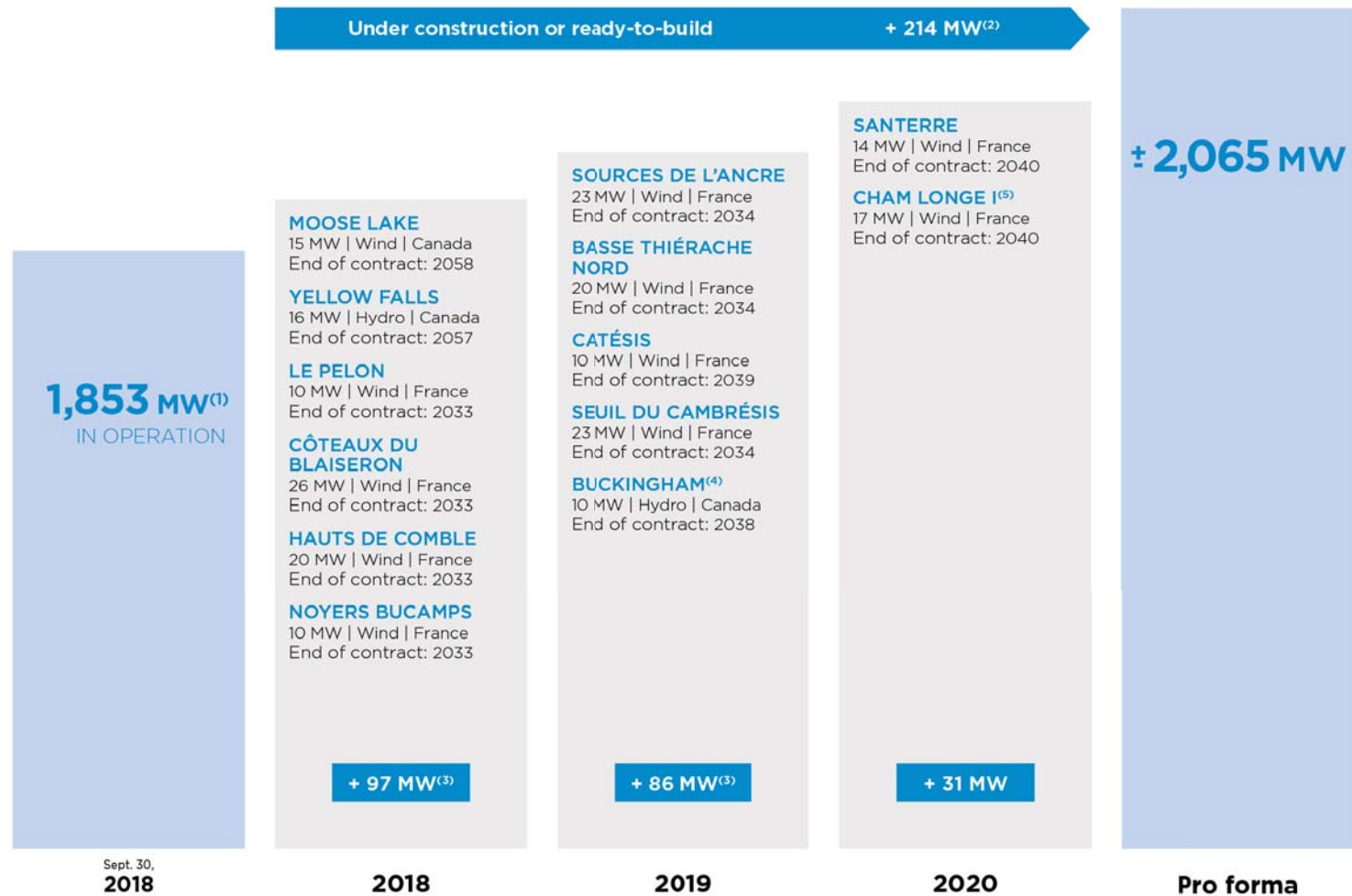
Financial highlights

Q3 2018

- The contribution of sites either acquired or commissioned during the last twelve months combined with the good performance of the Canadian wind sites compensated for less favourable weather conditions which impacted the production of the French wind sites and the Canadian and US hydros.
- On the heels of the acquisition in the second quarter of Kallista in France (1 63 MW of operating assets and a 1 58 MW pipeline), Boralex consolidates its position as an industry leader with the closing of the acquisition from Invenergy of five wind sites in Canada (201 MW net). Over time, these transactions will allow to achieve increasing operational synergies.
- Boralex demonstrates its competitiveness by winning a significant portion of the allocated MW in the latest round of the Request For Proposal (RFP) calling for production of onshore wind power in France. Considering the quality and depth of its team, Boralex remains in excellent position for the upcoming remaining rounds.
- Recent commissioning of the 33 MW Inter Deux Bos wind site in France with six other sites totalling 97 MW (Wind 81 MW and Hydro 16 MW) scheduled to be commissioned in Canada and in France by the end of the year.
- Annual dividend increased by 4.8% or from \$0.63 to \$0.66 per share. This represents the second increase for a total of 10% since the beginning of the year.



Growth path



⁽¹⁾ This data, as well as all the data contained in the interim MD&A as at September 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 September 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, following the acquisition of Invenergy's interests in these facilities which was completed on September 14, 2018.

⁽²⁾ France 173 MW | Canada 41 MW

⁽³⁾ 2018: Hydro 16 MW | Wind 81 MW; 2019: Hydro 10 MW | Wind 76 MW

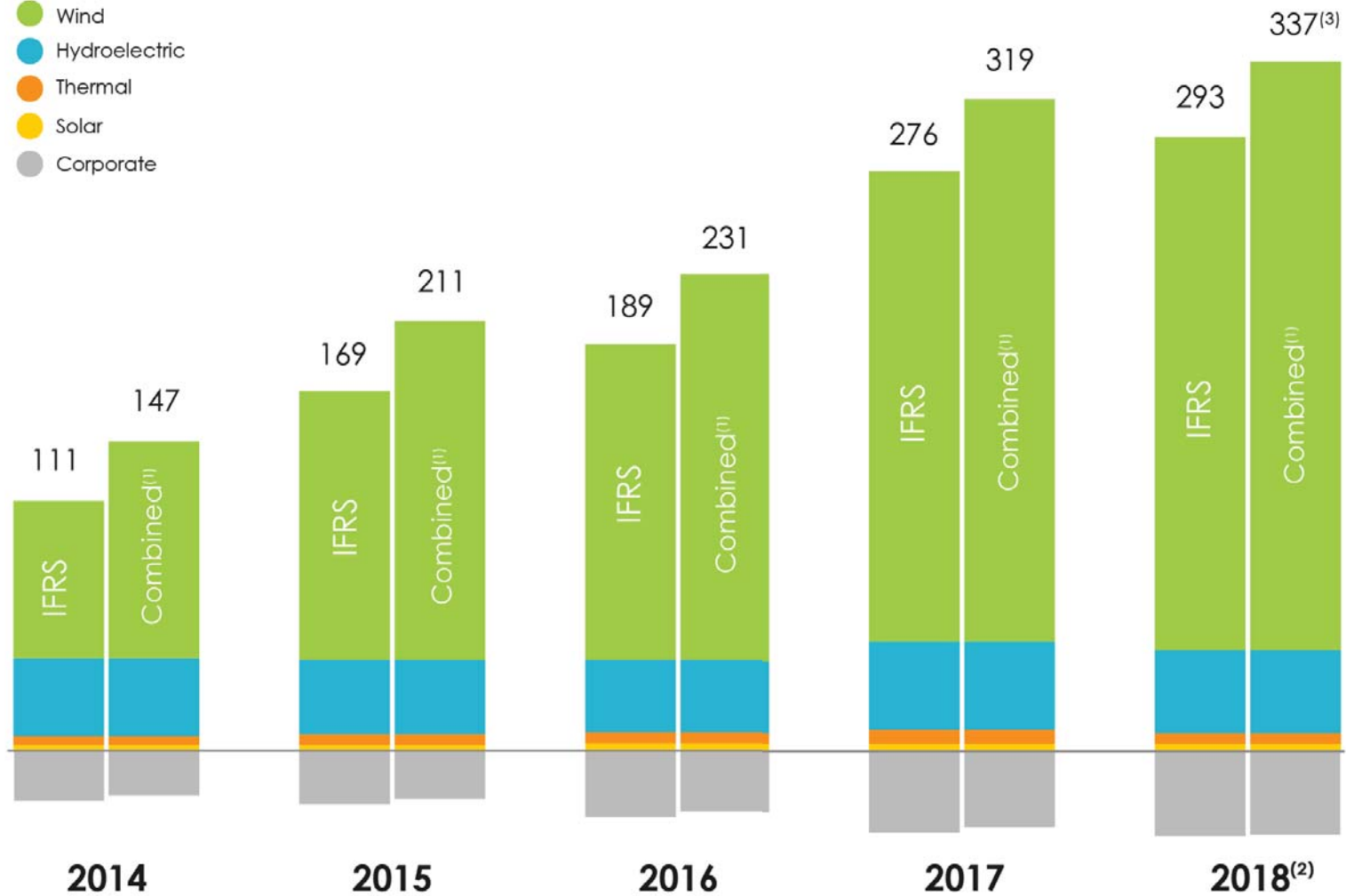
⁽⁴⁾ Project whose current capacity of 10 MW is to increase to 20 MW.

⁽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.

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 3.

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

⁽³⁾ Twelve-months period ended September 30, 2018 (Q3-18: \$51 million; Q2-18: \$68 million; Q1-18: \$114 million and Q4-17: \$104 million; for a total of \$337 million).



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





Summary

Q3 2018 - Quarterly

	IFRS		Combined ⁽¹⁾	
	2018	2017	2018	2017
<i>(in millions of Canadian dollars, unless otherwise specified)</i>				
Power Production (GWh) ⁽²⁾	548	605	679	706
Revenues from energy sales	79	74	93	85
EBITDA(A) ⁽¹⁾	39	39	51	50
EBITDA(A) margin ⁽¹⁾ (%)	49	53	55	59
Net loss ⁽³⁾	(34)	(17)	(34)	(17)
Per share (basic and diluted) (\$)	(0.43)	(0.23)	(0.43)	(0.23)
Cash flows from operations ⁽¹⁾	23	24	15	17

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 3.

⁽²⁾ Power production, including the power limitation of 42 GWh for the NRWF site, for which Boralex was compensated, would have been 590 GWh under IFRS for the three-month periods ended September 30, 2018 and would have been 721 GWh on a Combined basis.

⁽³⁾ Attributable to shareholders of Boralex.



Summary

Q3 2018 - YTD

	IFRS		Combined ⁽¹⁾	
	2018	2017	2018	2017
<i>(in millions of Canadian dollars, unless otherwise specified)</i>				
Power Production (GWh) ⁽²⁾	2,350	2,258	2,763	2,632
Revenues from energy sales	326	285	371	325
EBITDA(A) ⁽¹⁾	200	183	233	215
EBITDA(A) margin ⁽¹⁾ (%)	61	64	63	66
Net loss ⁽³⁾	(42)	(4)	(42)	(4)
Per share (basic and diluted) (\$)	(0.53)	(0.05)	(0.53)	(0.05)
Cash flows from operations ⁽¹⁾	121	127	125	131

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 3.

⁽²⁾ Power production including the power limitation of 126 GWh of which Boralex was compensated, would have been 2,476 GWh under IFRS for the nine-month periods ended September 30, 2018 and would have been 2,889 GWh on a Combined basis.

⁽³⁾ Attributable to shareholders of Boralex.



EBITDA(A)⁽¹⁾ by segment

Q3 2018 - Quarterly

	IFRS		Combined ⁽¹⁾	
	2018	2017	2018	2017
(in millions of Canadian dollars)				
Wind	46	36	56	46
Hydroelectric	5	11	5	11
Thermal	—	1	—	1
Solar	2	1	2	1
	53	49	63	59
Corporate and eliminations	(14)	(10)	(12)	(9)
EBITDA(A) ⁽¹⁾	39	39	51	50

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 3.



EBITDA(A)⁽¹⁾ by segment

Q3 2018 - YTD

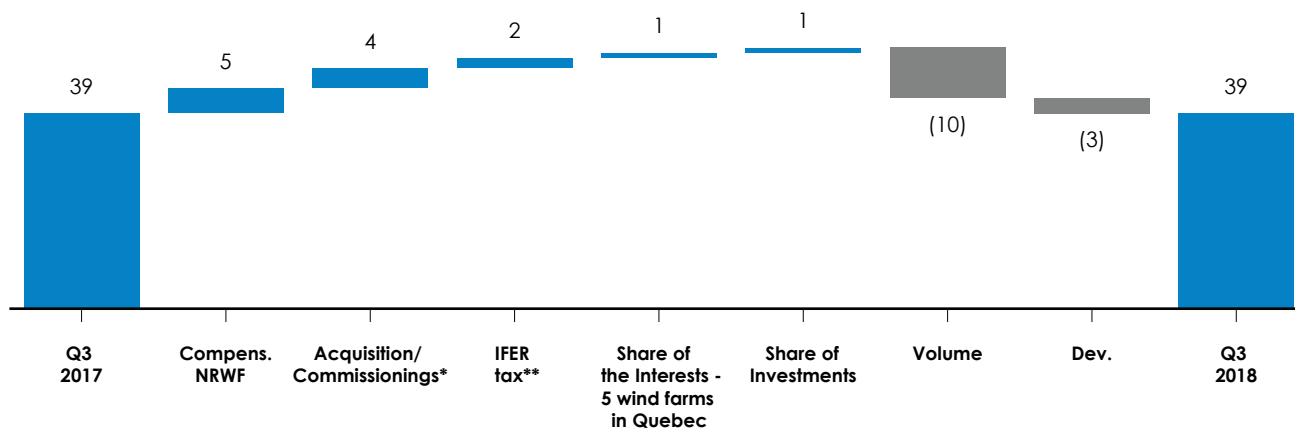
	IFRS		Combined ⁽¹⁾	
	2018	2017	2018	2017
(in millions of Canadian dollars)				
Wind	205	165	236	195
Hydroelectric	25	39	25	39
Thermal	5	6	5	6
Solar	4	4	4	4
	239	214	270	244
Corporate and eliminations	(39)	(31)	(37)	(29)
EBITDA(A)⁽¹⁾	200	183	233	215

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 3.

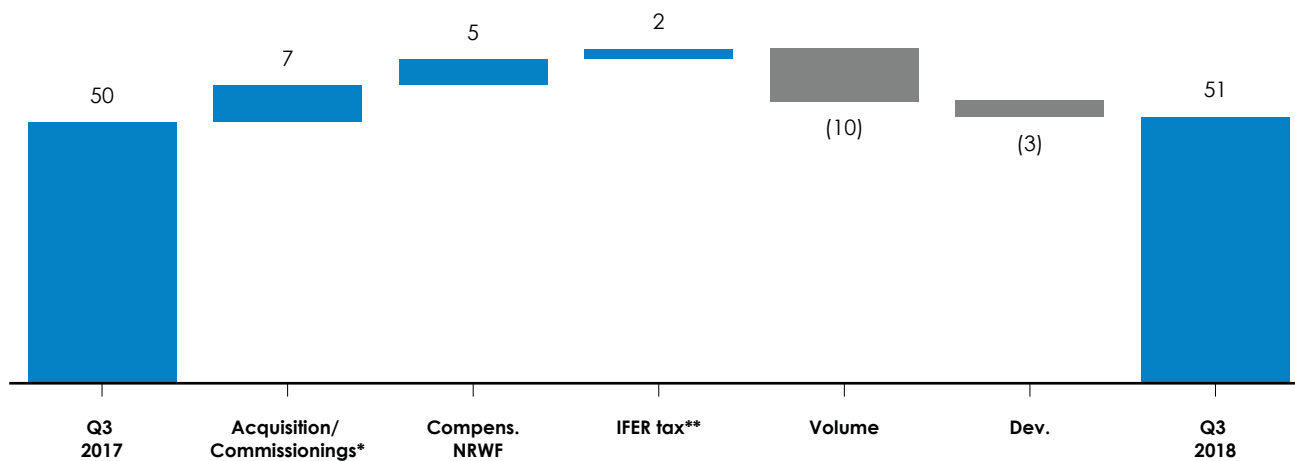
EBITDA(A)⁽¹⁾ - Variance analysis⁽²⁾

Q3 2018 vs 2017 - Quarterly

IFRS



Combined⁽¹⁾



⁽¹⁾ See the Non-IFRS measures section in the 2018 Interim Report 3.

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

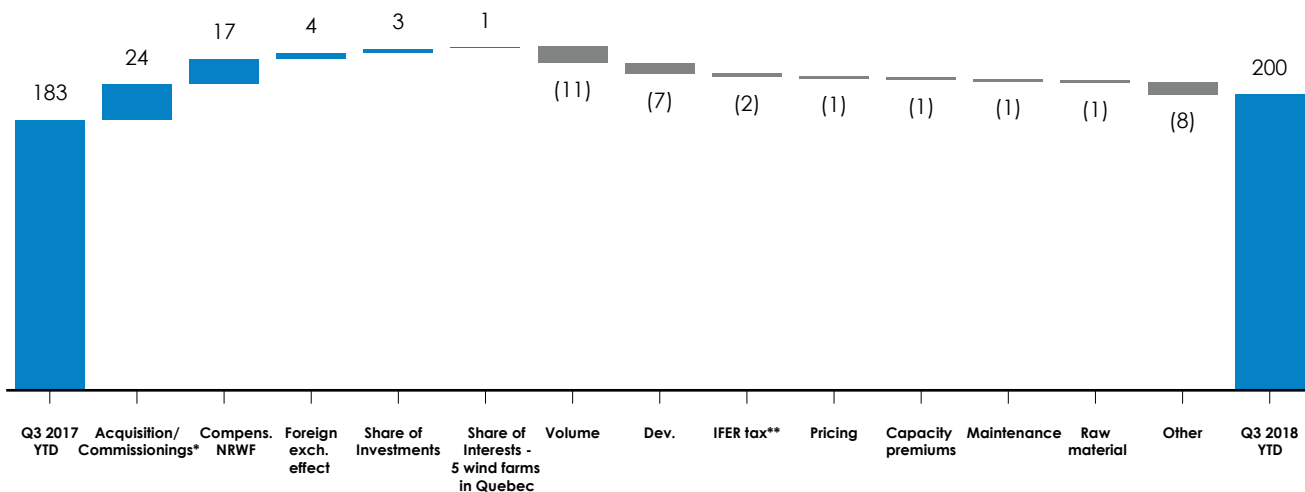
* Addition of 53 MW since September 30, 2017, the contribution of Kallista wind farms (163 MW) as of June 20, 2018 and the commissioning of Inter Deux Bos on September 24, 2018 (33 MW). The 201 MW net acquired from Invenergy are added to Combined information.

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

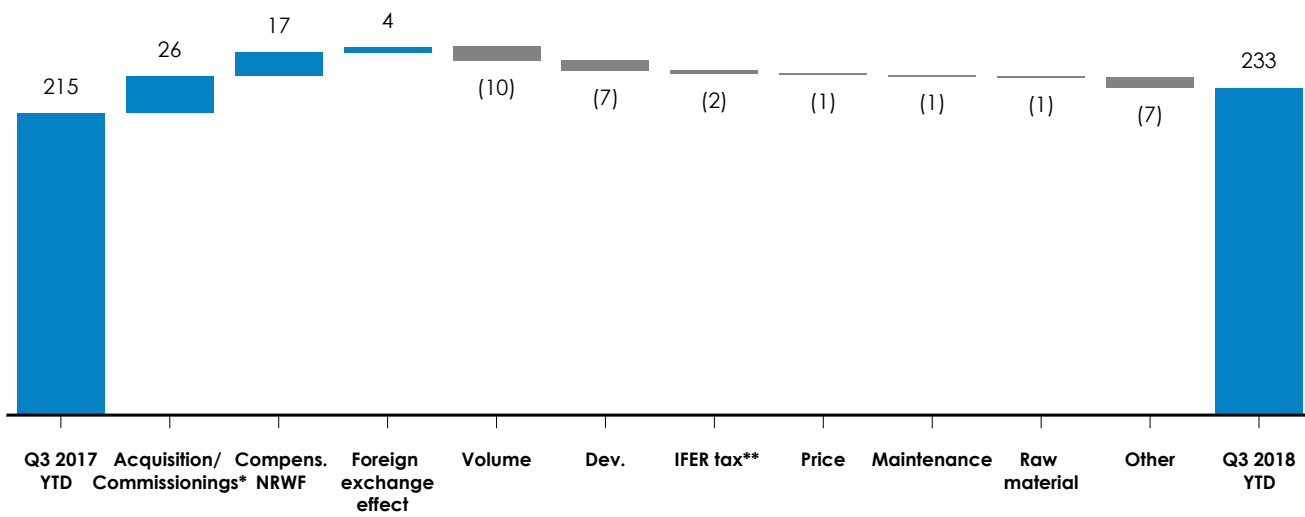
EBITDA(A)⁽¹⁾ - Variance Analysis⁽²⁾

YTD 2018 vs 2017 - YTD

IFRS



Combined⁽¹⁾



⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 3.

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

* Addition of 91 MW in 2017 and for 17 days in January 2018 from the NRWF facility, the contribution of Kallista wind farms (163 MW) as of June 20, 2018 and commissioning of Inter Deux Bos on September 24, 2018 (33 MW). The 201 MW net acquired from Invenergy are added to IFRS.

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



Segment Review Q3 2018

Wind Energy - Quarterly

	IFRS		Combined ⁽¹⁾	
	2018	2017	2018	2017
<i>(in millions of Canadian dollars, unless otherwise specified)</i>				
Power production (GWh) ⁽²⁾	415	385	546	486
Capacity factor (%)	15	18	19	23
Revenues from energy sales	64	52	78	63
EBITDA(A) ⁽¹⁾	46	36	56	46
EBITDA(A) margin ⁽¹⁾ (%)	71	68	72	72

On a Combined basis:

- Production increased by 12% vs Q3 2017; 16% in Canada and 7% in France.
 - 6% lower than Q3 2017 excluding the newly-commissioned sites.

Canadian stations	French stations
Capacity factor of 22% vs 23% expected vs 20% in Q3 2017. Production: 7% higher excluding the acquisition of Invenergy interests.	Capacity factor of 13% vs 22% expected vs 18% in Q3 2017 Production: 23% lower excluding the contribution of newly-commissioned assets (Voie des Monts, Mont de Bagny, Artois, Chemin de Grès and Inter Deux Bos) and the acquisition of Kallista.

- Newly-commissioned assets had a favorable impact on revenues from energy sales of \$11 million and of \$7 million on EBITDA (A), respectively.
- Considering the production for which the NRWF facility was compensated, the production increased by 20% vs Q3 2017; 30% Canada and 7% in France

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 3.

⁽²⁾ Power production, including the power limitation of 42 GWh for the NRWF site, for which Boralex was compensated, would have been 457 GWh under IFRS for the three-month periods ended September 30, 2018 and would have been 588 GWh on a Combined basis.



Segment Review Q3 2018

Wind Energy - YTD

	IFRS		Combined ⁽¹⁾	
	2018	2017	2018	2017
(in millions of Canadian dollars, unless otherwise specified)				
Power production (GWh) ⁽²⁾	1,729	1,529	2,142	1,903
Capacity factor (%)	23	24	25	26
Revenues from energy sales	262	209	307	249
EBITDA(A) ⁽¹⁾	205	165	236	195
EBITDA(A) margin ⁽¹⁾ (%)	79	79	77	78

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 3.

⁽²⁾ Power production, including the power limitation of 126 GWh for the NRWF site, of which Borex was compensated, would have been 1,855 GWh under IFRS for the nine-month periods ended September 30, 2018 and would have been 2,268 GWh on a Combined basis.



Segment Review Q3 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)	118	166	478	569
Revenues from energy sales	10	15	38	51
EBITDA(A) ⁽¹⁾	5	11	25	39
EBITDA(A) margin ⁽¹⁾ (%)	58	73	67	76

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 3. There is no difference between IFRS and Combined information for this segment.

- Production lower by 29% compared to Q3 2017 and 18% lower versus historical averages.

Canadian power stations	US power stations
14% lower vs Q3 2017 10% lower vs historical averages	44% lower vs Q3 2017 29% 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 Q3 2018

Corporate

Quarterly

	IFRS		Combined ⁽¹⁾	
	2018	2017	2018	2017
(in millions of Canadian dollars)				
Development	5	3	5	3
Administrative	7	5	7	5
Other expenses	2	2	—	1
Corporate EBITDA(A) ⁽¹⁾	14	10	12	9

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 3.

YTD

	IFRS		Combined ⁽¹⁾	
	2018	2017	2018	2017
(in millions of Canadian dollars)				
Development	11	9	11	9
Administrative	21	16	21	16
Other expenses	7	6	5	4
Corporate EBITDA(A) ⁽¹⁾	39	31	37	29

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 3.



Cash Flows

Q3 2018 - Quarterly

	IFRS	
	2018	2017
(in millions of Canadian dollars)		
Cash flows from operations ⁽¹⁾	23	24
Changes in non-cash items	(6)	12
Operating activities	17	36
Investing activities	(307)	(85)
Financing activities	254	31
Other	(2)	(1)
Net change in cash	(38)	(19)
Cash and cash equivalents – beginning of period	159	113
Cash and cash equivalents – end of period	121	94

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 3.



Cash Flows

Q3 2018 - YTD

	IFRS	
	2018	2017
(in millions of Canadian dollars)		
Cash flows from operations ⁽¹⁾	121	127
Changes in non-cash items	58	3
Operating activities	179	130
Investing activities	(553)	(294)
Financing activities	379	158
Other	1	—
Net change in cash	6	(6)
Cash and cash equivalents – beginning of period	115	100
Cash and cash equivalents – end of period	121	94

⁽¹⁾ See the Non-IFRS measures section in the 2018 Interim Report 3.



Financial Position

Q3 2018

	IFRS	
	September 30, 2018	December 31, 2017
(in millions of Canadian dollars, unless otherwise specified)		
Cash and cash equivalent	121	115
Restricted cash	28	35
Total assets	4,601	3,926
Debt ⁽¹⁾	3,074	2,642
Convertible debentures - nominal value	144	144
Average rate - total debt (%)	3.9	3.8
Equity attributable to shareholders of Boralex ⁽²⁾	885	685
Book value per share (in \$)	9.92	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 3.

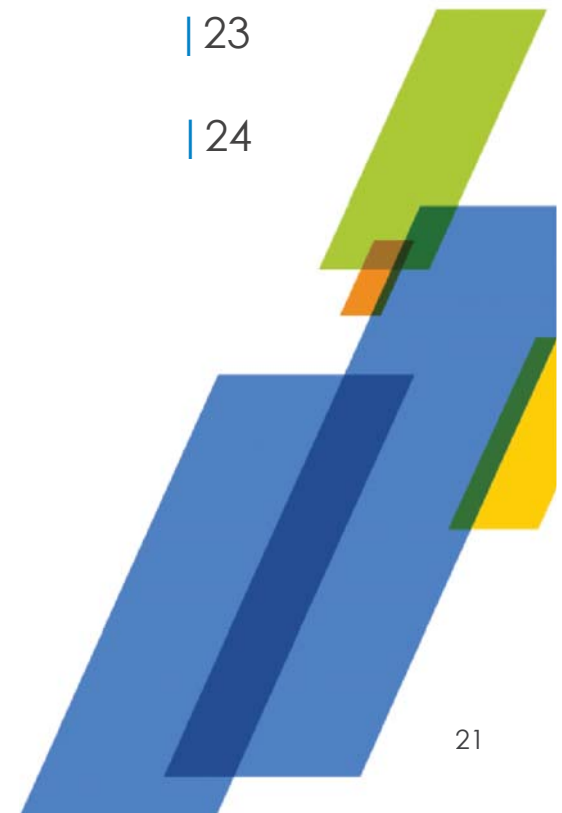


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Segment Review Q3 2018

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)	159	162	499	499
Power production (GWh)	8	47	126	141
Revenues from energy sales	3	5	22	21
EBITDA(A) ⁽¹⁾	—	1	5	6
EBITDA(A) margin ⁽¹⁾ (%)	3	23	26	29

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 3. There is no difference between IFRS and Combined information for this segment.



Segment Review Q3 2018

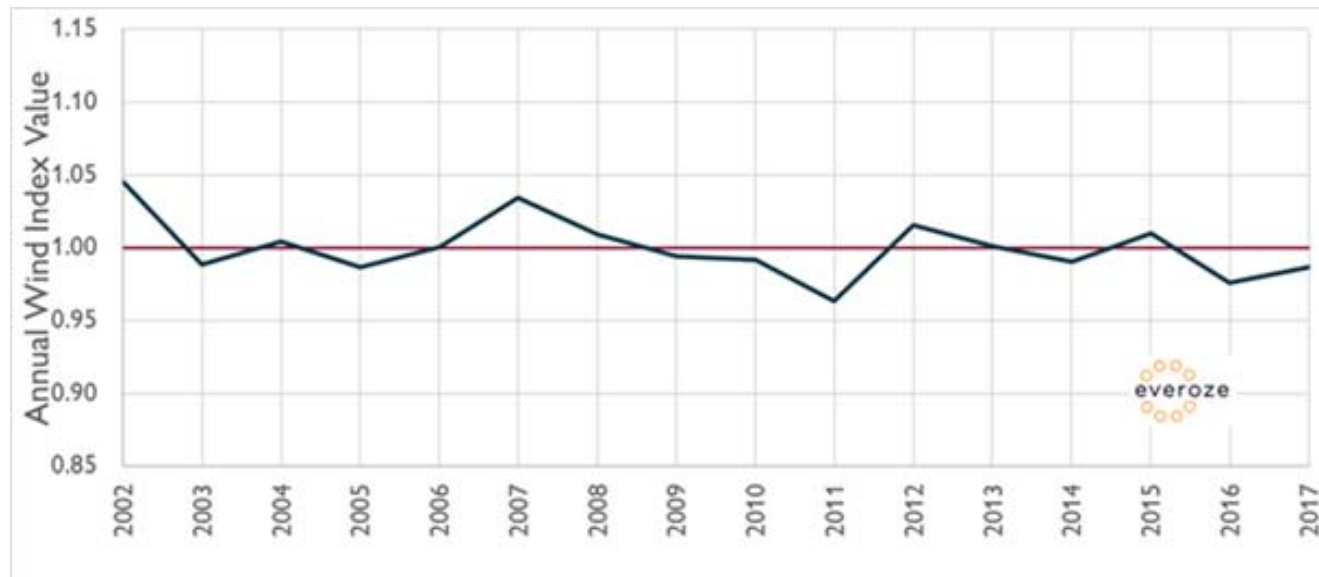
Solar Energy - IFRS and Combined⁽¹⁾

	Quarterly		YTD	
	2018	2017	2018	2017
<i>(in millions of Canadian dollars, unless otherwise specified)</i>				
Power production (GWh)	7	7	17	19
Capacity factor (%)	22	21	17	18
Revenues from energy sales	2	2	4	4
EBITDA(A) ⁽¹⁾	2	1	4	4
EBITDA(A) margin ⁽¹⁾ (%)	87	87	81	83

⁽¹⁾ See the *Non-IFRS measures* section in the 2018 Interim Report 3. There is no difference between IFRS and Combined information for this segment.



Historical evolution of wind speeds in France



⁽¹⁾ Reproduced with the permission of Everoze Partners Limited.



Question period



BORALEX



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