



Financial Review

1st Quarter 2016

May 11, 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 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.

EBITDA(A)

The Corporation uses the term "EBITDA(A)" to assess the operational performance of its power stations. This measure represents earnings before interest, taxes, depreciation, amortization and adjustments to include other items. EBITDA(A) as defined under *Non-IFRS Measures* section of the MD&A.



Mr. Patrick Lemaire

*President and
Chief Executive Officer
Boralex Inc.*

Highlights

Q1 2016

Financial Results

- ⚡ Best quarterly performance of Boralex's history, both in term of production, revenues, cash flow from operations and EBITDA(A)
- ⚡ In Q1 2016, production, revenues, cash flow from operations and EBITDA(A) are up by 33%, 34%, 64% and 45% respectively according to proportionate consolidation (up by 47%, 46%, 48% and 55% according to IFRS)
- ⚡ Besides the contribution of the eight new sites (156 MW) commissioned in 2015, the results of the quarter are explained by better wind conditions in France and in Ontario, better hydro conditions in the United States and the favorable fluctuation of the Euro and the US dollar

Highlights

Q1 2016

Increased Dividend Starting in Q2

- Increased dividend starting in Q2 to \$0.14 per share representing an annual increase of 7.7% (from \$0.52 to \$0.56 per share). This dividend will be paid on June 15, 2016 to holders of record at the close of business on May 31, 2016

New Wind Projects in Canada

- Port Ryerse, 10 MW, Ontario

The project is covered by a 20-year contract with the IESO and its commissioning is slated for Q4 2016. A total investment of about \$38 M is expected to be required and Boralex estimates its annual EBITDA(A) at about \$3.5 M

- Moose Lake, 15 MW, British Columbia

The project is covered by a 40-year contract with BC Hydro. Its construction will require investments of approximately \$70 M and Boralex estimates its annual EBITDA(A) at about \$5.0 M. Commissioning is slated for the end of 2017

Highlights

Q1 2016

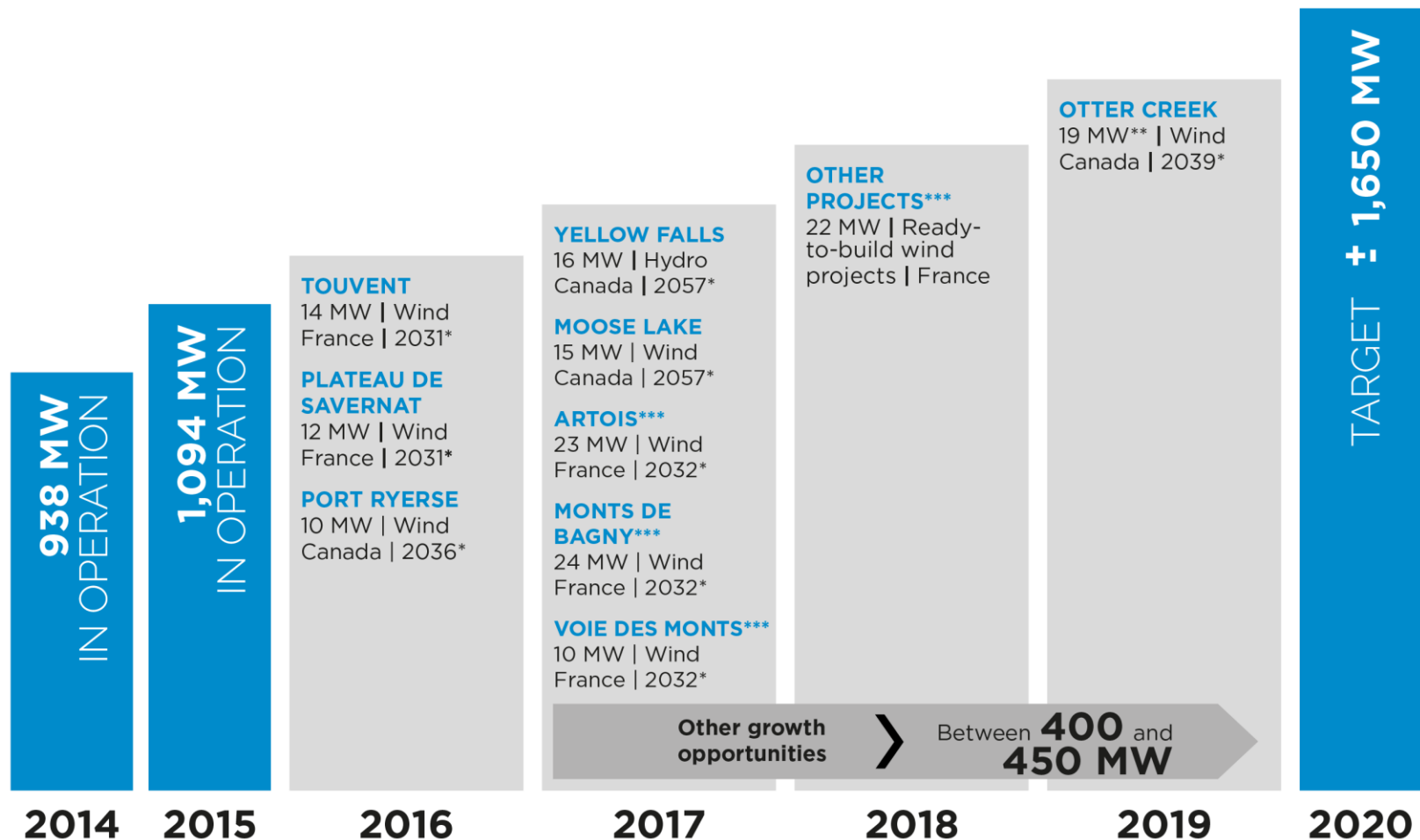
Refinancing

- Refinancing of the \$175 M revolving credit facility that was coming to maturity in 2018
New 4-year agreement (April 2020) for a total of \$360 M, including a letter of credit facility of \$60 M guaranteed by Export Development Canada
- Refinancing of the Joint Venture Phase I debt under advantageous conditions
This refinancing has allowed the payment of a special distribution in the amount of \$40 M to Boralex in Q2 2016

Financial Target

- Boralex revises its 2017 year-end estimated run rate EBITDA(A) for all of its sites in operation from \$275 M to \$290 M and its discretionary cash flows estimate from \$70 M to \$75 M on the same basis

The Growth Path



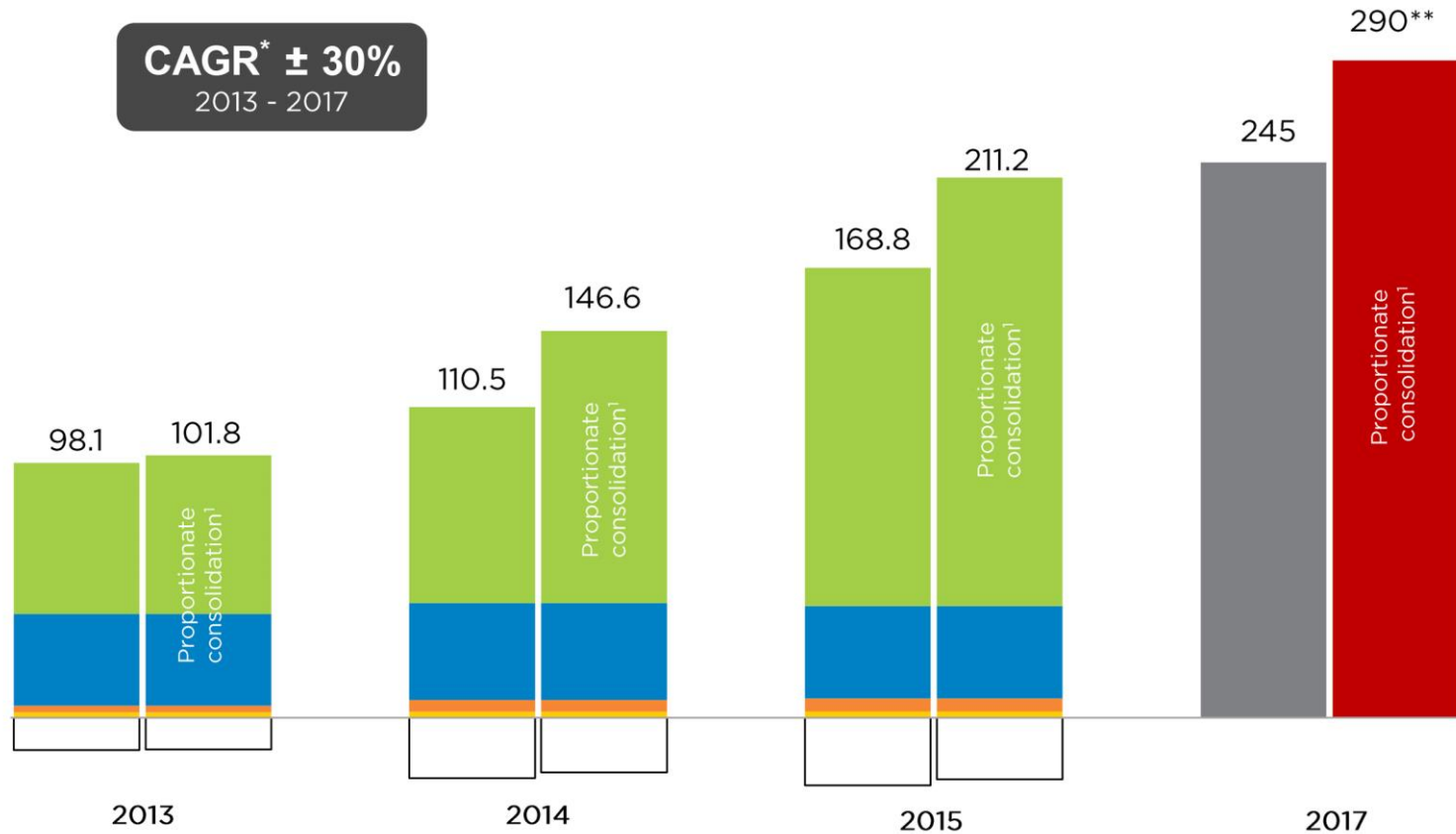
* Represent, in order : project name, installed capacity, segment, country and contract end-date.

** 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

EBITDA(A) (in millions of dollars)

CAGR* ± 30%
2013 - 2017



● Wind
 ● Hydroelectric
 ● Thermal
 ● Solar
 ○ Corporate

* Compounded annual growth rate

** In line with the growth path, based on 57 MW of projects under construction and 22 MW of ready-to-build projects from the acquisition of Ecotera. 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 Reports)



**Mr. Jean-François
Thibodeau**

*Vice president and
Chief Financial Officer
Boralex Inc.*

Summary

Q1 2016

	Q1			
	IFRS		Proportionate Consolidation	
	2016	2015	2016	2015
<i>(in thousands of dollars, unless otherwise specified)</i>				
Power Production (GWh)	821.1	559.7	973.2	733.5
Revenues from energy sales	105,977	72,517	122,386	91,174
EBITDA(A)	79,999	51,754	90,449	62,315
EBITDA(A) margin (%)	75%	71%	74%	68%
Net earnings	22,502	6,746	22,502	6,746
Cash flow from operations	59,579	40,201	69,923	42,753

EBITDA(A) by sector

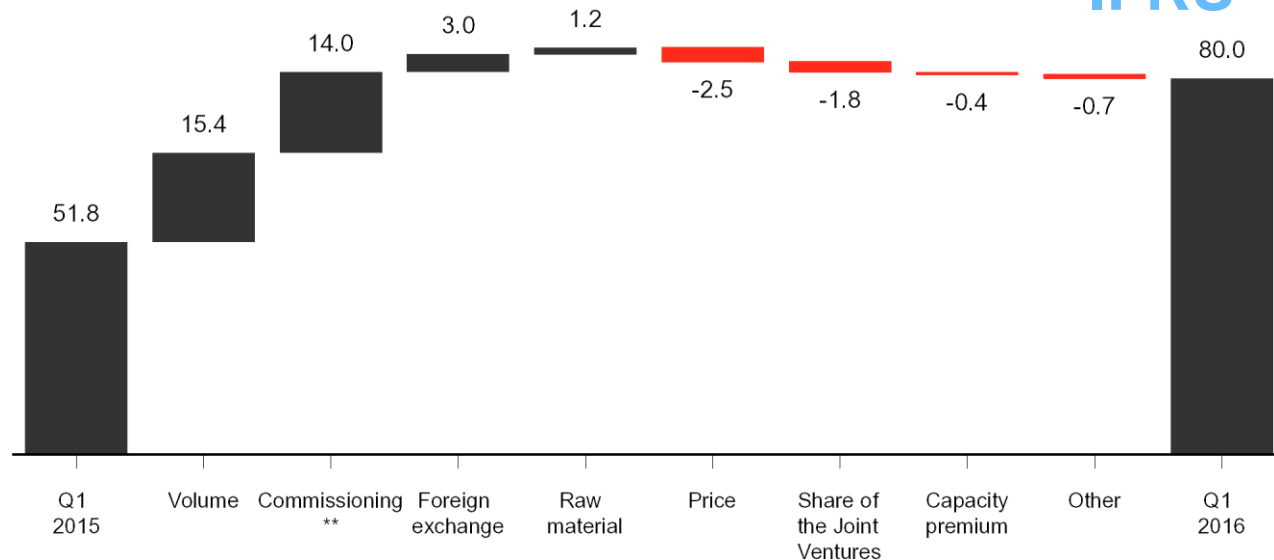
Q1 2016

	Q1			
	IFRS		Proportionate Consolidation	
	2016	2015	2016	2015
<i>(in thousands of dollars)</i>				
Wind	70,862	44,586	80,662	54,494
Hydroelectricity	12,918	9,247	12,918	9,247
Thermal	4,154	4,525	4,154	4,525
Solar	785	404	785	404
	88,719	58,762	98,519	68,670
Corporate and eliminations	(8,720)	(7,008)	(8,070)	(6,355)
EBITDA(A)	79,999	51,754	90,449	62,315

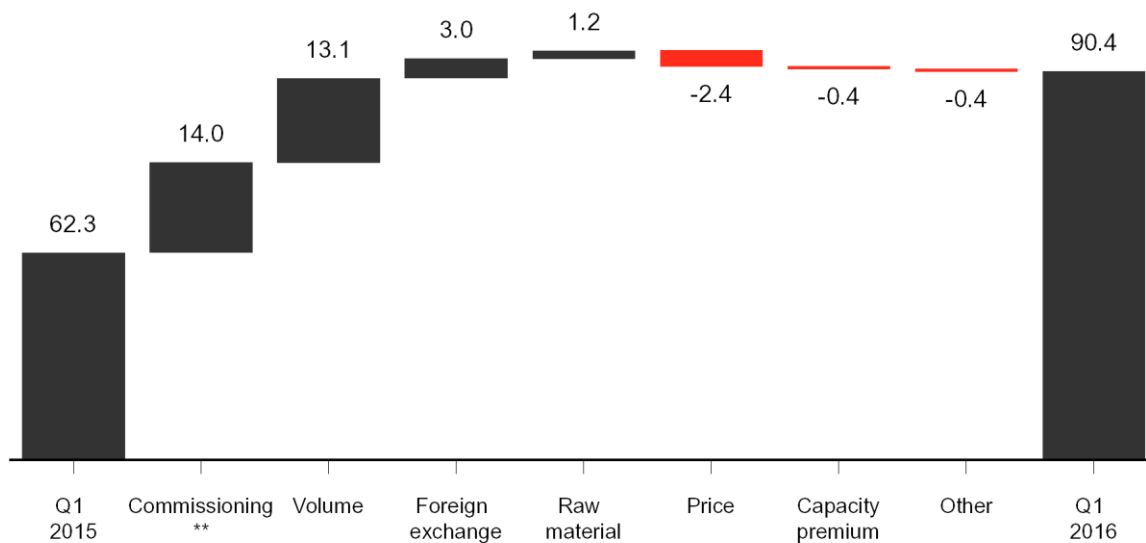
EBITDA(A) - Variance Analysis*

Q1 2016 vs 2015

IFRS



Proportionate Consolidation



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

** Commissioning of 156 MW: the wind farms St-François, Cômes de l'Arce, Témiscouata II, Côte-de-Beaupré, Calmont and Frampton, and the solar sites Les Cigarettes and Vaughan

Sector Review Q1 2016

Wind Energy

	Q1			
	IFRS		Proportionate Consolidation	
	2016	2015	2016	2015
<i>(in thousands of dollars, unless otherwise specified)</i>				
Power Production (GWh)	581.5	385.9	733.6	559.8
Power factor	37.7%	31.4%	38.3%	35.0%
Revenues from energy sales	77,736	48,712	94,145	67,369
EBITDA(A)	70,862	44,586	80,662	54,494
EBITDA(A) margin (%)	91.2%	91.5%	85.7%	80.9%

Under Proportionate Consolidation

- ▲ Production was higher by 31% vs Q1 2015
 - ▲ Higher by 9% excluding the commissioned sites

PRODUCTION	
Canadian Stations	European Stations
Power factor of 40.6% 27% higher vs Q1 2015 5% lower excluding the contribution of Côte-de-Beaupré, Témiscouata II and Frampton	Power factor of 36.5% 35% higher vs Q1 2015 21% higher excluding the contribution of St-François, Cômes de l'Arce and Calmont

- ▲ Commissioning of Côte-de-Beaupré, Témiscouata II and Frampton had a positive impact on EBITDA(A) of \$9.4 M
- ▲ Commissioning of St-François, Cômes de l'Arce and Calmont, had a positive impact on EBITDA(A) of \$4.2 M
- ▲ The fluctuation of the Euro had a positive impact of \$3.1 M on revenues and \$2.3 M on EBITDA(A)

Sector Review Q1 2016

Hydro Energy

	IFRS	
	Q1	
	2016	2015
<i>(in thousands of dollars, unless otherwise specified)</i>		
Power Production (GWh)	170.6	113.6
Revenues from energy sales	17,228	12,584
EBITDA(A)	12,918	9,247
EBITDA(A) margin (%)	75.0%	73.5%

▲ Production higher by 50% compared to Q1 2015 and 11% higher versus historical averages

PRODUCTION	
Canadian Stations	US Stations
7% higher vs Q1 2015 4% higher vs historical averages	78% higher vs Q1 2015 14% higher vs historical averages

- ▲ The increase in volume had a positive impact on revenues and EBITDA(A) of \$5.0 M in the United States
- ▲ The fluctuation of the US dollar had a positive impact of \$0.8 M on revenues and \$0.6 M on EBITDA(A)
- ▲ These increases were partially reduced by lower selling price in the United States and other items for a total net impact of \$1.4 M on revenues and \$2.0 M on EBITDA(A)

Sector Review Q1 2016

Thermal Energy

	IFRS	
	Q1	
<i>(in thousands of dollars, unless otherwise specified)</i>	2016	2015
Steam production ('000 lbs)	170,735	166,624
Power Production (GWh)	64.8	59.2
Revenues from energy sales	10,061	10,736
EBITDA(A)	4,154	4,525

- ▲ At Blendecques, the steam prices decreased by 32% impacting EBITDA(A) by \$1.0 M, offset by a reduction of 39% in gas costs for a \$1.4 M impact on EBITDA(A)

Sector Review Q1 2016

Solar Energy

	IFRS	
	Q1	
	2016	2015
<i>(in thousands of dollars, unless otherwise specified)</i>		
Power Production (GWh)	4.2	1.0
Power factor	12.3%	9.5%
Revenues from energy sales	952	485
EBITDA(A)	785	404
EBITDA(A) margin (%)	82.5%	83.3%

- ▲ Commissioning of the solar power facility Les Cigarettes on October 2, 2015 had a positive impact of \$0.4 M and \$0.3 M on revenues and EBITDA(A), respectively

Sector Review Q1 2016

Corporate

	Q1			
	IFRS		Proportionate Consolidation	
<i>(in thousands of dollars)</i>	2016	2015	2016	2015
Development	2,216	2,238	2,216	2,238
Administrative	4,386	3,167	4,386	3,167
Other expenses	2,118	1,603	1,468	950
Corporate EBITDA(A)	8,720	7,008	8,070	6,355

Cash Flows

Q1 2016

	Q1			
	IFRS		Proportionate Consolidation	
<i>(in thousands of dollars)</i>	2016	2015	2016	2015
Cash flows from operations	59,579	40,201	69,923	42,753
Changes in non-cash items	16,098	8,866	11,588	4,127
Operating activities	75,677	49,067	81,511	46,880
Investing activities	(21,330)	(47,527)	(21,429)	(48,264)
Financing activities	(13,012)	1,831	(13,451)	1,463
Other	(1,516)	670	(1,516)	670
Net change in cash	39,819	4,041	45,115	749
Cash and cash equivalents – beginning of period	99,641	75,394	108,491	86,845
Cash and cash equivalents – end of period	139,460	79,435	153,606	87,594

Financial Position

Q1 2016

	IFRS		Proportionate Consolidation	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
<i>(in thousands of dollars, unless otherwise specified)</i>				
Cash and cash equivalent	139,460	99,641	153,606	108,491
Restricted cash	3,771	3,345	3,933	3,507
Total assets	2,431,646	2,441,927	2,792,283	2,799,192
Net debt ⁽¹⁾	1,282,726	1,341,617	1,581,742	1,646,316
Convertible debentures - nominal value	143,750	143,750	143,750	143,750
Average rate - total debt	3.90%	4.09%	4.17%	4.43%
Equity attributable to shareholders of Boralex ⁽²⁾	535,453	544,659	534,936	544,142
Book value per share (in \$)	8.22	8.41	8.21	8.39
Net debt ratio (market capitalization)	51.7%	55.2%	56.9%	60.2%

(1) Excludes Convertible debentures

(2) Excludes Non-controlling shareholders



Question Period