

Annual General Meeting

# BUILDING A BRAND NEW COMPANY

May 9, 2019



# Agenda

Annual Report to Shareholders

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Appointment of Auditors

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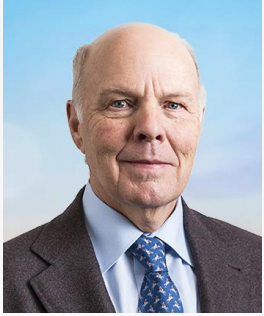
Election of Directors

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*Update from Jared Green,  
President & Chief Executive Officer*



# Elections of Directors



DAVID W.  
CORNHILL



GREGORY A.  
AARSEN



JUDITH  
ATHAIDE



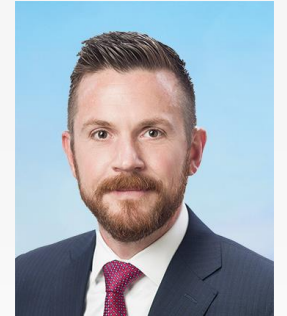
AMIT  
CHAKMA



WILLIAM J.  
DEMCOE



CORINE R.K.  
BUSHFIELD



JARED  
GREEN

# Agenda

Annual Report to Shareholders

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*Update from Jared Green,  
President & Chief Executive Officer*



# Jared Green, President & Chief Executive Officer



# Forward Looking Information

Certain statements contained in this presentation constitute forward-looking statements or forward-looking information (collectively, “forward-looking statements”). These statements relate to future events or the Company’s future performance, including business objectives, strategy, vision, expected growth, results of operations, performance, business projects and opportunities and financial results. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this presentation should not be unduly relied upon. These statements speak only as of the date of this presentation. In particular, this presentation contains forward-looking statements pertaining to the following: anticipated annual dividend; PPA contracts; rate base growth from 2018 to 2023; adjusted normalized net income growth from 2018 to 2023; expected expenditures of approximately \$330 million at its utilities between 2019 and 2023; additional growth projects related to market penetration in the Halifax region, renewable natural gas, compressed natural gas, selective acquisitions and other energy infrastructure developments; expected capital spend of approximately \$10 million on the Etzikom Lateral regulated pipeline project; increased economic activity throughout Pacific Northern Gas’ (PNG) service territory; anticipated \$2 million investment in 2019 to provide natural gas utility service to LNG related projects; and potential reactivation of the PNG transmission line.

These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect the Company’s then current views with respect to future events based on certain material facts and assumptions and are subject to certain risks and uncertainties, including without limitation changes in market, competition, governmental or regulatory developments, interest rate and foreign exchange rate risk and general economic conditions and the other factors described under the heading “Risk Factors” in the *in ACI’s Annual Information Form for the year ended December 31, 2018, which is available on [www.sedar.com](http://www.sedar.com)*. The material assumptions in making these forward-looking statements are disclosed in the IPO prospectus and comparable sections in AltaGas Canada Inc.’s 2018 Annual Report. *Many factors could cause ACI’s actual results, performance or achievements to vary from those described in this presentation. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this presentation as intended, expected, projected or targeted* and such forward-looking statements included in this news release, should not be unduly relied upon.

Financial outlook information contained in this presentation about prospective results of operations, financial position or cash flows is based on assumptions about future events, including economic conditions and proposed courses of action, based on Management’s assessment of the relevant information available as of the date of this presentation. Readers are cautioned that such financial outlook information contained in this presentation should not be used for purposes other than for which it is disclosed herein.

The forward-looking statements included in this presentation are expressly qualified by this cautionary statement and are made as of the date of this presentation. The Company does not undertake any obligation to publicly update or revise any forward-looking statements except as required by applicable securities laws.

In this presentation the Company uses certain supplementary measures, including “normalized EBITDA”, “normalized net income” and “adjusted normalized net income”, which are measures that do not have any standardized meaning as prescribed by U.S. GAAP. Accordingly, the Company’s use of such terms may not be comparable to similarly defined measures presented by other entities. These non-GAAP measures provide additional information that Management believes is meaningful in describing ACI’s operational performance, liquidity and capacity to fund dividends, capital expenditures, and other investing activities. Readers are cautioned that these non-GAAP measures should not be construed as alternatives to other measures of financial performance calculated in accordance with U.S. GAAP. The non-GAAP measures and their reconciliation to US GAAP financial measures are shown in ACI’s MD&A as at and for the period ended March 31, 2019.

Unless otherwise stated, dollar amounts in this presentation are in Canadian dollars. This presentation does not constitute an offer or solicitation in any jurisdiction or to any person or entity. No representations or warranties, express or implied, have been made as to the accuracy or completeness of the information in this presentation and this presentation should not be relied on in connection with, or act as any inducement in relation to, an investment decision.

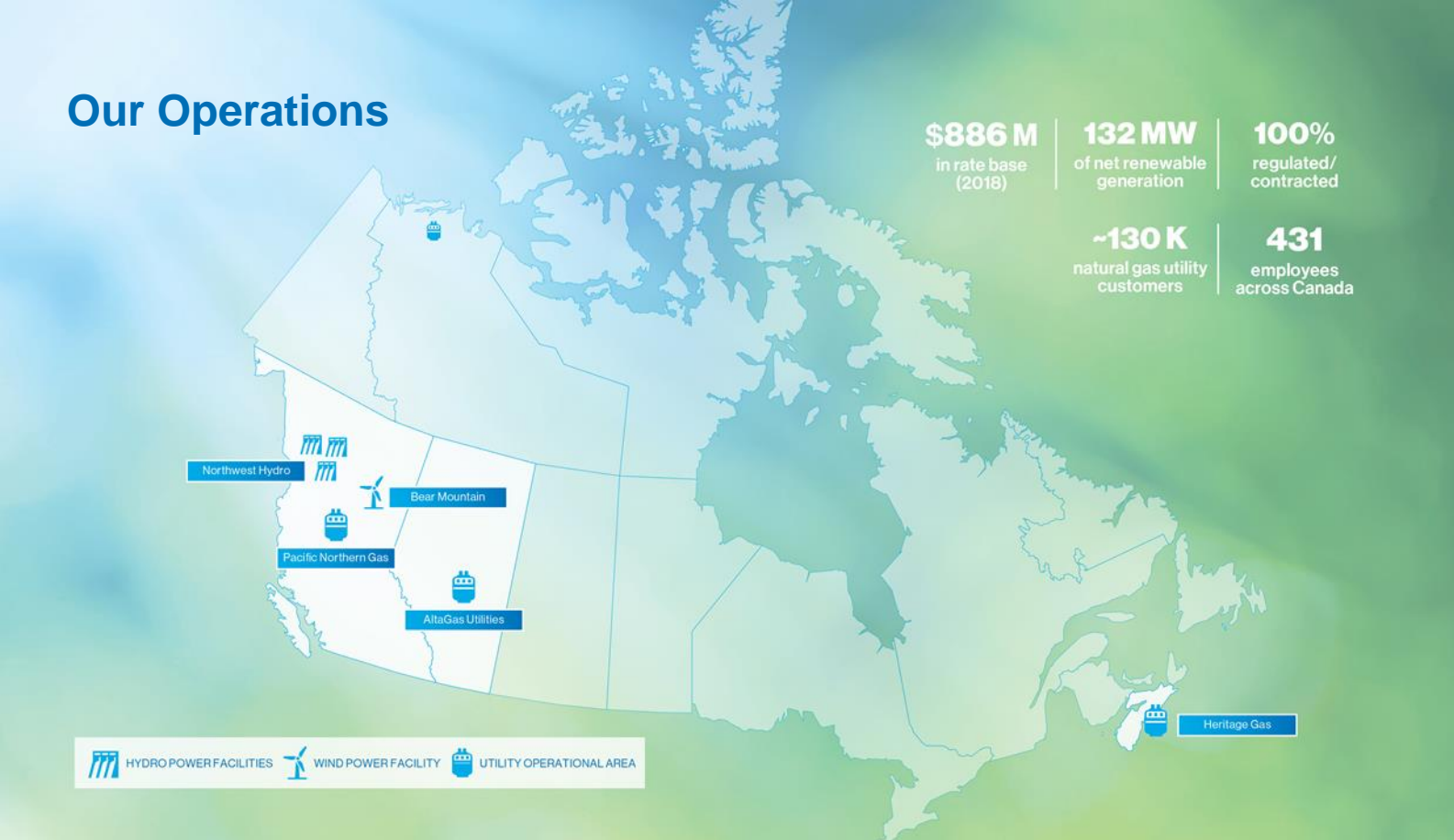
# Who We Are

AltaGas Canada Inc. is a brand new company with natural gas distribution utilities and renewable power generation assets. We deliver low carbon energy, safely and reliably to approximately **130,000** customers.

# ACI at a Glance

ACI is a unique, Canadian natural gas utility and renewable power business producing stable and predictable earnings and cash flow

|                                    |                |
|------------------------------------|----------------|
| Market capitalization <sup>1</sup> | ~\$580 million |
| Enterprise Value <sup>1</sup>      | ~\$1.2 billion |
| Dividend yield <sup>1</sup>        | ~5.0%          |
| Earnings Payout Ratio              | 65 – 75%       |
| Credit Rating                      | BBB (High)     |



1. As at April 30, 2019  
See “forward-looking information”



# Vision

To be the clean energy supplier of choice in each of our jurisdictions through being a leader in safety, cost effectiveness and customer service.

# Strategy

1. Deliver safe, reliable, clean and cost effective solutions to customers
2. Maintain strong relationships with regulators
3. Deliver low-risk, stable and predictable earnings and cash flows
4. Deliver long-term profitable growth

# Our core values

## Safe & Reliable

Safety of our customers, our communities and our employees is the top priority of the company. Our employees and contractors are responsible for acting safely, continually improving practices and procedures to enhance safety and reliability, and for encouraging the same behaviors in others.

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## Customers & Community

Our customers are everything to us as are the communities where we live, work and operate. We endeavour to provide the best customer experience and help build strong, vibrant communities.

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## Environmental Stewardship

We provide low carbon energy solutions to our customers and always look for ways to minimize our environmental footprint. We operate our business prudently and in an environmentally responsible fashion.

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## Communications & Integrity

We strive for clear, transparent communication to customers, employees, regulators, shareholders and all of our stakeholders. We act with integrity, and we deliver on our commitments.

See "forward-looking information"

# Well Diversified High Quality Utilities

**Rate Base  
\$221 MM**



**Rate Base  
\$357 MM**



**Rate Base  
\$308 MM**



**Total Customer Base  
~130,000**



 Natural Gas Territory

Rate Base and Customers as at December 31, 2018.  
See "forward-looking information"

# Clean Renewable Energy

**10%**

Equity interest in 303 MW NWh Facilities

**60-Year**

Power Purchase Agreements with BC Hydro

**100%**

Indexed to BC CPI



**102 MW**

~17.5% Long-term Avg. Capacity Factor

**25-Year**

Power Purchase Agreement with BC Hydro

**50%**

Indexed to BC CPI



See "forward-looking information"

# Strong 2018 Results and Track Record

**\$40.5 million**

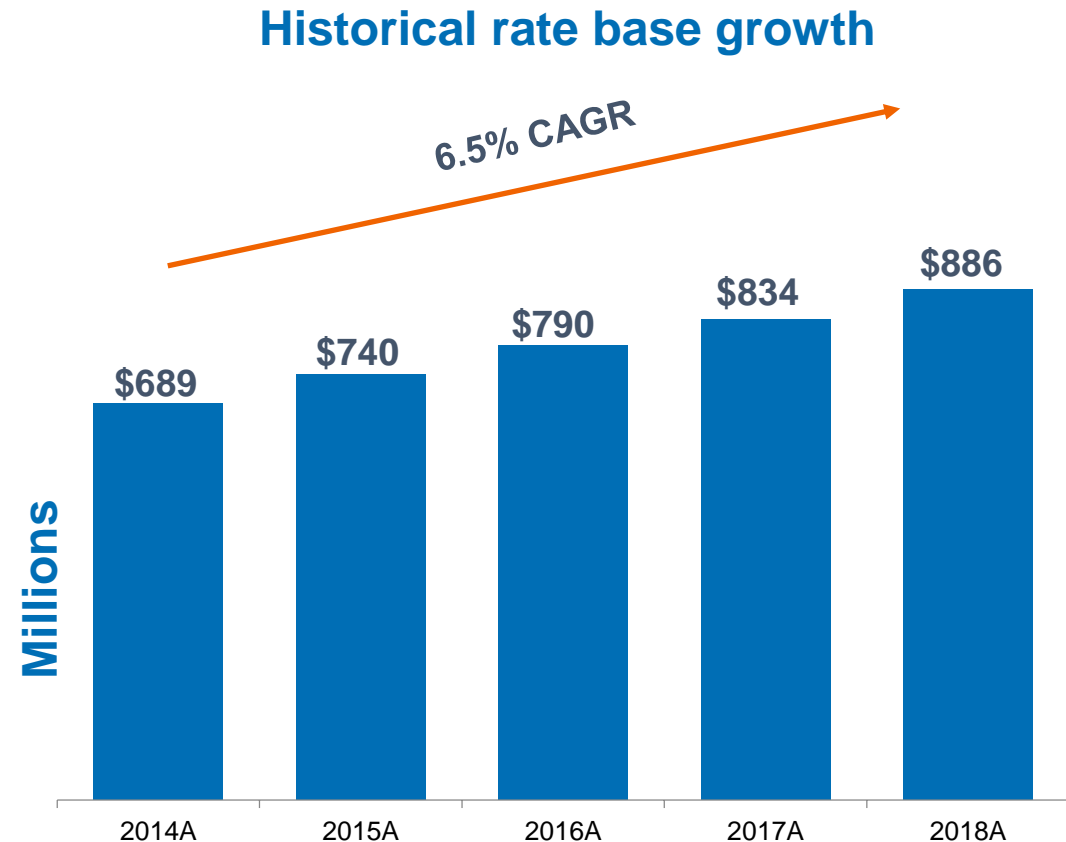
Adjusted normalized net income

**6 percent**

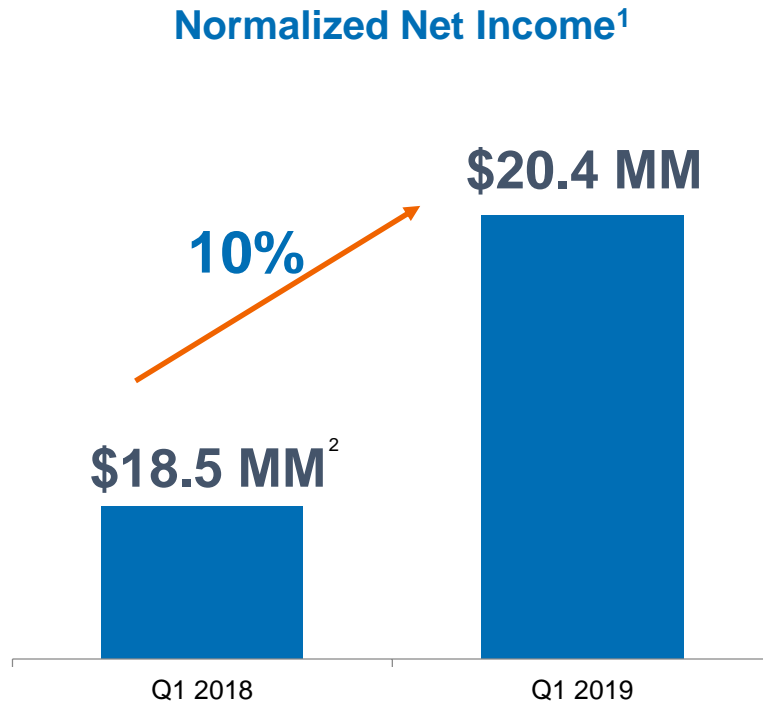
Rate base growth (2017 - 2018)

**1<sup>st</sup> dividend**

Paid in December

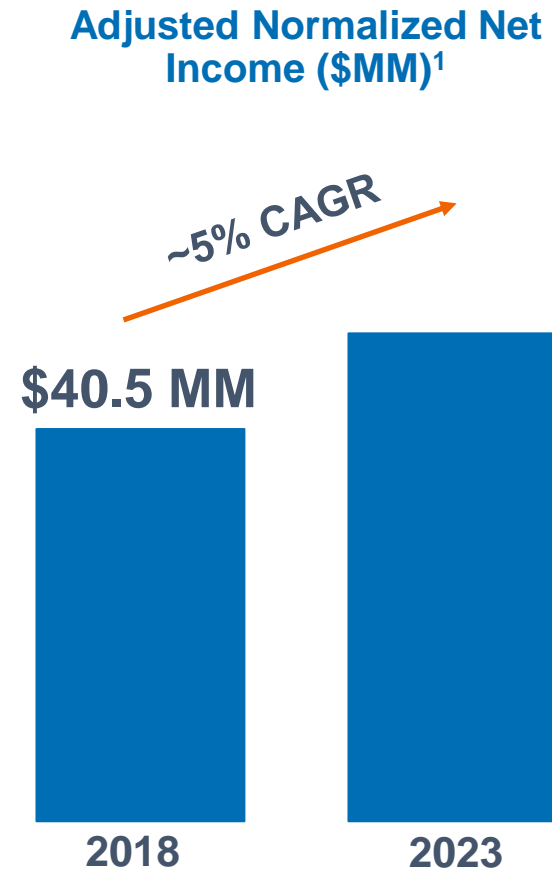
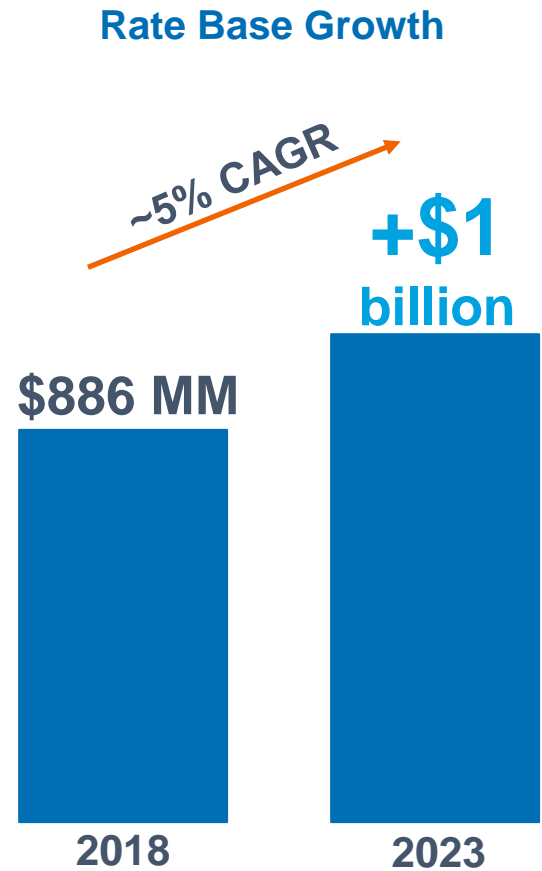


# Strong First Quarter 2019 Results



1. Non-GAAP Measure  
2. Q1 2018 has been adjusted to reflect the current capital structure of ACI for comparative purposes  
See "forward-looking information"

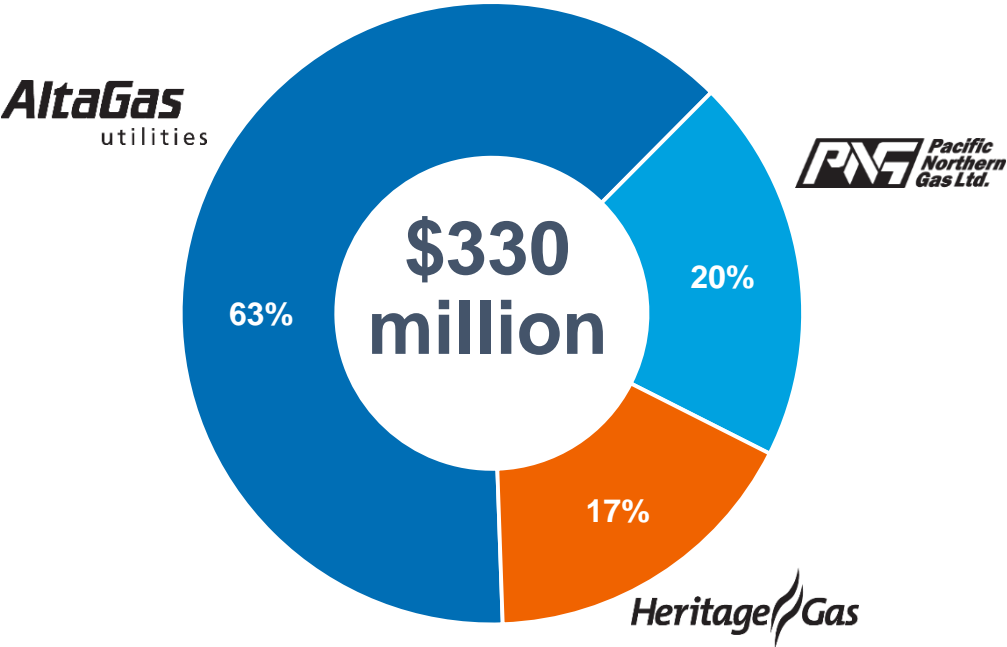
# Strong forecasted growth



(1) Non-GAAP measure.  
See "forward-looking information"

# 5-Year Growth Platform

## Cumulative Capital Expenditures 2019E – 2023E

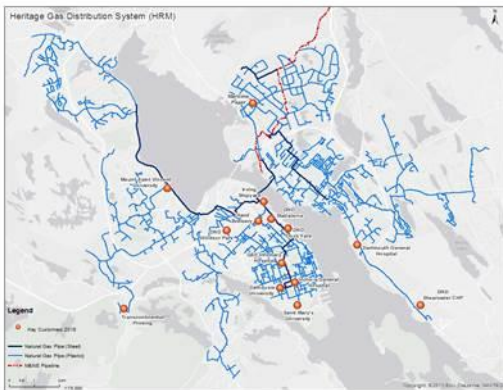


See "forward-looking information"



# Enhanced Growth Opportunities

## Additional growth projects above the \$330 million



- Potential to have the \$10 million Etzikom lateral pipeline project included as Type 1 Capital at AUI
- Greater market penetration in the Halifax region; potential to capture a higher percentage of the 21,400 residences and businesses
- Renewable Natural Gas
- Compressed Natural Gas Vehicles
- Opportunities to capitalize on selective acquisitions and other energy infrastructure developments

See "forward-looking information"

# Enhanced Growth Opportunities

## Providing Natural Gas Utility Service to Energy Export Projects



## Additional growth projects above the \$330 million

- Increased economic activity expected throughout PNG's service territory driven by energy exports
  - Investing \$2 million in 2019 to provide natural gas service to LNG related projects
- Significant potential to re-activate PNG's transmission system

See "forward-looking information"

# Delivering shareholder value

**Low-risk, stable and predictable earnings and cash flows and long-term profitable growth.**

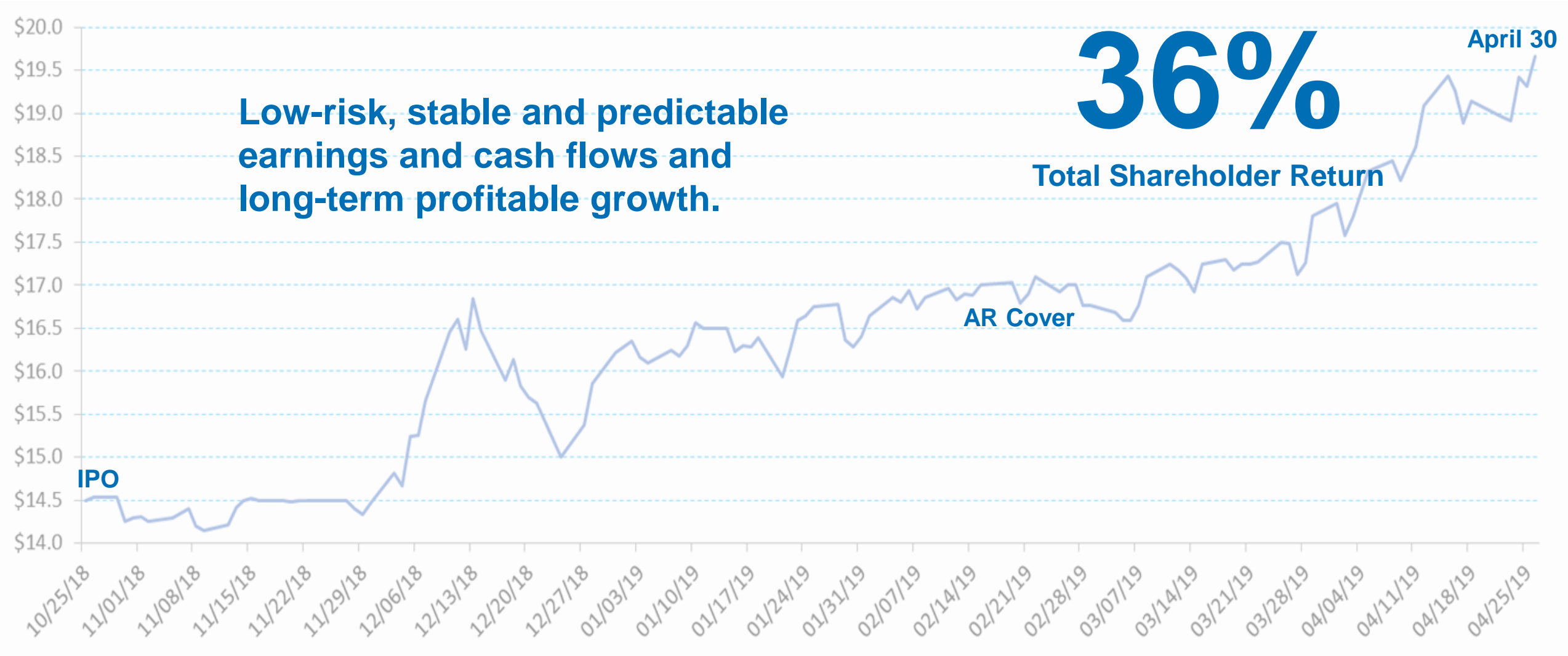
# 36%

**Total Shareholder Return**

**April 30**

**AR Cover**

**IPO**



See "forward-looking information"





**AltaGas Canada**

Questions & Answers