

Leila Dillon - SVP Marketing & Communications

Thank you, _____, and good afternoon, everyone. We appreciate you joining us for today's call. Joining me here are George Sakellaris, Ameresco's Chairman, President, and Chief Executive Officer; Mark Chiplock, Executive Vice President, Chief Financial Officer and Chief Accounting Officer; along with two of our executives Nicole Bulgarino and Lou Maltezos. Before I turn the call over to George, I would like to make a brief statement regarding forward-looking remarks.

Today's earnings materials contain forward-looking statements, including statements regarding our expectations. All forward-looking statements are subject to risks and uncertainties. Please refer to today's earnings materials, the safe harbor language on slide 2 of our supplemental information and our SEC filings for a discussion of the

major risk factors that could cause our actual results to differ from those in our forward-looking statements. In addition, we use several non-GAAP measures when presenting our financial results. We have included the reconciliations to these measures and additional information in our supplemental slides that were posted to our website. Please note that all comparisons that will be discussed today are on a year-over-year basis, unless otherwise noted.

I will now turn the call over to George. George?

George Sakellaris – CEO

Thank you, Leila, and good afternoon everyone.

Before I begin, I would like to draw everyone's attention to the important announcement we made today regarding further steps we have taken to optimize our corporate structure to drive continued profitable growth. Today we announced the promotions of four key

executives to the role of President leading their respective groups. Mike Bakas as President of the Renewable Fuels; Nicole Bulgarino as President of Federal and Utility Infrastructure; Lou Maltezos as President of Central & Western USA and Canada; and Peter Christakis as President of East USA, Greece & Project Risk.

Now on to our results. Ameresco's diversified business model continued to yield impressive results, with over 40% growth in both revenue and Adjusted EBITDA, driven by our continued focus on execution against a strong industry backdrop. We also brought an additional 42 MWe of Energy Assets into operation. This brings our total amount to a record 209 MWe, already above our 200 MWe guidance for the year. Our total project backlog grew by 22%, expanding our long-term project visibility to \$4.5 billion. We were also very successful with contract execution, as our Contracted Project Backlog grew an impressive 56% to a record \$1.9 billion.

Our diversified customer base continued to show very strong demand for our renewables, energy efficiency, and resiliency offerings. We are at the forefront of the energy transition, as our customers value our ability to integrate a comprehensive portfolio of cleantech solutions, in order to meet their unique goals, all while offering budget neutral cost saving solutions.

Before I turn the call over, let me make a few comments about the recent election outcome; reiterating what we have said many times in the past. We believe we are well insulated from changes in the administration, as our core efficiency solutions stand on their own without relying on federal incentives. And the technologies that qualify for incentives, such as battery storage, continue to receive strong bipartisan support. Investors probably remember that Ameresco had some of its best years during the last Trump administration. There was very strong support for our performance contracts – especially our resiliency solutions – with both civilian but more importantly, the

military part of the federal government, and especially in a budget constrained environment. Also, we have become much more diversified and resilient over the years. We have purposely grown our recurring Energy Asset and O&M profit streams which now account for the majority of our annual adjusted EBITDA. Geographically we are also much more diversified with operations in every state, Canada, the UK, and our growing Continental European footprint. Due to the great value proposition of our business model, we believe we are very well positioned to thrive under any administration as we have demonstrated for over 25 years of doing business.

Similar to the last call, I've asked two key members of our executive team, Lou and Nicole to join us today. Lou will cover the drivers of the strength we have been seeing in our core markets, and discuss some of the internal changes we have made to execute more efficiently in the current operating environment. Nicole will discuss how the increasing demand for resiliency continues to be a key catalyst for our businesses.

And now I'd like to turn the call over to Lou, Lou?

Lou Maltezos – President – Western and Central USA and Canada

Thank you, George, and good afternoon everyone.

I am pleased to be here today to talk about what we see as the bedrock of our business – the energy efficiency, distributed generation and cost savings Project work. This work is focused on our traditional core customer base, what we call the “MUSH” market, that includes state and local governments, colleges and universities, K-12 school systems and the healthcare sector.

While the scale of the projects we execute for these customers tend to be smaller than our Federal and Utility projects, they represent an important part of Ameresco's business and future growth. These

projects address our customers' critical need to upgrade their ageing infrastructure and reduce their deferred maintenance. At the same time, they improve the performance and comfort of our customers' buildings in a sustainable, budget neutral manner.

Within these markets, the fundamental drivers are consistent: Our customers need to fix their buildings, but are often budget constrained. A typical Ameresco Project will optimize, update, or replace their HVAC, lighting, and building envelope, and provide smart building automation systems. In addition, our Projects often go beyond energy efficiency to incorporate customer-driven needs, like water efficiency, Electric Vehicle charging, and solar car parks as part of a complete facility solution. Importantly, these projects can generate operational cost savings from day one with no upfront capital. Ameresco is unique in our ability to integrate a comprehensive set of solutions for our customers as opposed to them having to use a wide range of different product and service providers.

A great example of this is a project we recently completed for Columbia County, Oregon. The project involved an extensive renovation of the County's historic John Gumm building. The core technical work included HVAC, lighting, and building efficiency. But, the project went beyond those traditional energy conservation measures to address critical building needs, including the preservation and repair of historic features, the installation of a new elevator to ensure accessibility, and irrigation and landscaping. Like many of the projects in our core market, the impact goes beyond the immediate benefits of the energy efficiency work, and supports our customers' core missions. In this case, we were able to revitalize a historic, but ageing building, so that it can be used to provide expanded services and be a resource to the community.

To accelerate our growth further, over the last 12 months we have taken steps to realign the company to maximize our ability to serve our

customers across our various geographies. It's a program we call "One Ameresco". This has enabled us to lower our OPEX, improve efficiencies, share our technical strengths and bolster our ability to serve national accounts. Together, we are strategically targeting projects in our core markets squarely within our technical competencies. This organizational realignment is already in place and proving to be successful.

Given the great demand for our services, our unique ability to integrate comprehensive solutions, and the changes we have made internally to best capitalize on these opportunities, I couldn't feel more excited about the future. We are executing well and are focused on the mission. Whether it be a leading-edge transformational energy project, or the practical efficiency projects in our core markets, I know we have the right team in place to drive future growth.

I will now turn the call over to Nicole. Nicole?

Nicole Bulgarino – President of Federal and Utility Infrastructure

Thank you Lou, and good afternoon.

Before I talk about resiliency in particular, I did want to follow up on George's comments about the election. As George mentioned, our Federal group had some of its best years during the last Trump administration, with very strong support for our budget neutral infrastructure solutions. In fact, during the previous Trump administration, the volume of ESPC contracts was approximately 3X what we have seen during the Biden administration. We continue to be a leader of ESCO services to the federal government and look to continue to thrive under the new administration as we did during his last time in office.

Let me now talk about the growing customer focus on resiliency which is a very big focus of our federal civilian and military customers.

Energy resiliency is increasingly vital across the federal, utility, and municipal markets to ensure a continuous and reliable power supply, particularly in the face of rising natural disasters, cyber threats, and aging infrastructure. For federal markets, energy resiliency is critical for national security, ensuring the uninterrupted operation of vital civilian and military services, and even for supporting our military personnel and their families. While expanding the use of intermittent renewable sources like wind and solar, Utility and Municipal markets also need firm, robust systems to prevent widespread outages and maintain service during extreme weather events. They require resilient energy solutions to support local communities, emergency services, essential public infrastructure, and grid reliability. By investing in energy resiliency, these sectors can enhance their ability to withstand and quickly recover from disruptions, ensuring the safety and well-being of the populations they serve.

Over the years, Ameresco has built a core competency and excellent reputation around many of the important technologies which enable resiliency, including microgrids and battery energy storage systems.

We have successfully won and are executing on several large resiliency projects this year. By way of example, we are currently in construction of a 50 MW battery energy storage asset for Silicon Valley Power in California. This system will efficiently store the surplus renewable electricity on California's grid during the day, and discharge it during the afternoon ramp of electricity demand, supporting the renewable assets and providing resiliency during these transitional times.

Also in southern California, we are building a 10 MW solar and 50 MWH battery storage project at Naval Weapons Station Seal Beach, which we expect to come online in the first half of 2025. The project builds on the public-private partnership model, successfully deployed at our Kūpono Solar facility in Hawaii. Here, Ameresco is utilizing the Navy's land as

the host for a wholesale power project with the Utility, San Jose Clean Energy, and in conjunction, provides resiliency improvements to the Navy installation.

Another example of a different kind of resiliency solution we have with our military customers, is the project we are developing at Ft. Johnson in Louisiana. Here we are installing geothermal infrastructure and upgrading 3,600 homes for our military families. The project will not only reduce the load from the local utility, but more importantly provides reliable, sustainable, and highly efficient energy exchange with an underground geothermal system. This is a \$33M resiliency infrastructure investment, and is one of the projects we are executing in partnership with Corvias, a leader in the Department of Defense's Military Housing Privatization Initiative.

In closing, we believe that resiliency is a key driver across our markets.

Given the depth of our experience, as well as our portfolio of these

kinds of projects, we are well positioned to be a leading solution provider to address this critical infrastructure need.

I will now turn the call over to Mark to comment on our financial performance and outlook. Mark?

Mark Chiplock – CFO

Thank you, Nicole, and good afternoon.

As George mentioned, we had another strong quarter of revenue and profit growth. Our total revenue grew 49% to over half a billion dollars, as each of our four business lines experienced double-digit growth.

Revenues from our Projects business grew nearly 60%, reflecting our consistent focus on execution and conversion of our backlog. Projects business development activity remained robust with our total backlog increasing 22% to \$4.5 billion and importantly, our contracted backlog

increased an impressive 56%, on the strength of nearly \$600 million of awards converted into contracts. Energy Asset revenue grew 33%, largely due to the greater number of operating assets compared to last year. We brought 42 MW of assets into operation this quarter, bringing our year to date adds to a record 209 MW. This already exceeds our full year guidance - again, a result of strong execution. Our large and growing base of operating Energy Assets now stands at 715 MW. Our O&M business also had a very strong quarter with revenue growing 25%, as we continued to win more long-term O&M business. The O&M backlog now stands at over \$1.4 billion, an increase of 15% or \$180 million compared to a year ago.

Gross margin of 15.4% was lower and reflects a larger contribution from lower-margin projects along with additional costs associated with the SCE projects, as described during the previous quarter. Adjusted EBITDA grew 44% to a record \$62.2 million, driven by our revenue growth along with cost savings and operating leverage. Non-GAAP EPS

was \$0.32 as the additional contribution from our revenue growth was largely offset by higher interest and depreciation expenses. Those interest costs also included a non-cash negative adjustment of \$3.7 million to mark to market unhedged derivatives, compared to a \$3.0 million favorable adjustment last year. As a reminder, the results for the third quarter last year also included a discrete tax benefit of \$7.2 million related to a prior year Section 179D tax deduction.

Turning to our balance sheet and cash flows, we ended the quarter with approximately \$114 million in cash and corporate debt of approximately \$273 million. Our Debt to EBITDA leverage ratio, under our Senior Secured Credit facility of 2.8x, continued to decline and remains below the covenant level of 3.5x. Our Energy Asset Debt Advance rate, remained at a conservative 74%. Importantly, we continue to believe our access to energy asset capital is excellent with many financing options available, as demonstrated by us having

secured approximately \$237 million in new project-financing commitments in the quarter and receiving net proceeds of \$57 million.

Our cash flow continued to be positive with adjusted cash flow from operations of approximately \$34 million. Our 8-quarter rolling average adjusted cash from operations, which we believe best represents the cash conversion over our full implementation cycle, was \$39 million.

During the quarter we reached an agreement with SCE on the substantial completion of two of the three battery energy storage system projects. We received approximately \$110 million in milestone payments, net of a holdback of \$52 million for potential liquidated damages, which are still in dispute. A portion of these proceeds was used to catch up on outstanding vendor payments as well as to paydown a portion of our corporate revolver. Final acceptance milestone payments on these two projects of approximately \$36 million will follow upon completion. The third project, which is expected to

reach substantial completion in Q4, has 2 remaining milestone payments totaling \$55 million net of potential liquidated damages.

Finally, let me spend a minute on our 2024 guidance. We are pleased to be reaffirming our full year guidance reflecting revenue and Adjusted EBITDA growth of 27% and 35%, respectively at the midpoints, representing what we believe will be a very strong finish to a solid year of performance. While we expect higher interest and other expenses in the range of \$70 million to \$75 million, we are also maintaining our Non-GAAP EPS guidance, largely driven by our estimated annual tax benefit rate.

Now I'd like to turn the call back over to George for closing comments.

George Sakellaris – CEO

Thank you, Mark.

Ameresco has excellent momentum as we head into the final quarter of 2024. We believe these strong results will carry into the new year given the growth in our contracted backlog, our Energy Assets and O&M contracts. The broad range of impactful solutions we provide has never been in greater demand by Governments, Institutions, Utilities and Corporations around the world. In closing, I would like to once again thank our employees, customers and stockholders for their continued support.

Operator we would like to open the call to questions.