

## AMRC Prepared Remarks Q2 2025 FINAL

August 4, 2025

### **Leila Dillon - SVP Marketing & Communications**

Thank you, \_\_\_\_\_, and good afternoon, everyone. We appreciate you joining us for today's call. Our speakers on the call today will be George Sakellaris, Ameresco's Chairman and Chief Executive Officer and Mark Chiplock, Chief Financial Officer. In addition, Nicole Bulgarino, President of Federal and Utility Infrastructure, and Josh Baribeau, our Chief Investment Officer will be available during Q&A to help answer questions. 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 of these measures and additional information in our supplemental slides that were posted to our website. Please note that all comparisons that we will be discussing today are on a year-over-year basis, unless otherwise noted.

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

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**George Sakellaris – CEO**

Thank you, Leila, and good afternoon everyone.

We are very pleased to report that Ameresco delivered another quarter of strong financial and operational performance, building upon the momentum generated from our first quarter. Second quarter revenue

and adjusted EBITDA grew 8 and 24 percent respectively, coupled with very strong EPS growth. The Ameresco team continued to focus on profitable execution, leveraging our large project backlog and achieving higher profit margin growth than top line growth. In addition to the contracts awarded in our traditional core business, we also captured significant emerging opportunities to provide Energy Infrastructure solutions to a number of rapidly growing sectors in both the US and Europe.

We believe demand for our diverse portfolio of energy solutions is being driven by the increasing demand for electricity, significant increases in utility rates, and growing grid instability. While we continue to execute on our traditional energy efficiency and renewable energy projects, we are very pleased to see an even broader need for comprehensive energy infrastructure and microgrid solutions.

The increase in global electricity prices continues to be top of mind for many of our clients – along with reliability of supply – so I wanted to make some quick comments on that topic. With prices projected to outpace overall inflation for many years to come, we believe this trend will be a meaningful catalyst for our continued growth. Higher power prices drive customer demand for both our core energy efficiency solutions and our integrated onsite generation offerings. This dynamic creates better economics and faster project paybacks for our customers.

Diversification has been the foundation of our business model and positions us to take great advantage of the growth opportunities ahead. This comes in three key areas.

First, our Customer base. We are well diversified across a very broad range of public and private customers. Our expertise and focus on energy infrastructure solutions has enabled us to grow our business

with both domestic and international Utilities and IPPs which now account for over 20% of our total project backlog. We are also pursuing large and exciting opportunities in the C&I market, which we believe offer tremendous growth potential. C&I now represents over 10% of our total project backlog, and we anticipate continued growth in this segment.

Second, our Technology portfolio. We offer a complete suite of energy efficiency, storage and generation solutions. Currently almost half of our total Project backlog is comprised of energy infrastructure solutions including natural gas turbines and engines, co-gen equipment, hydroelectric and other power generation technologies, as well as BESS and microgrid offerings.

And finally, in our geographic reach. We cover the US, Canada, the UK and many key growth markets in Continental Europe. Driven by our continued expansion, Europe now accounts for approximately 20% of

our Total Project Backlog and we see this as a good balance to the changing policies and regulations in the United States.

In short, Ameresco continues to demonstrate that diversification is not just a hedge, it's our strategic advantage.

And as we prepare for this growth, we continue to stay ahead of the curve by investing in our most important asset – our human capital.

Ameresco is well known for hiring and developing industry expertise in cutting edge technologies well in advance of full commercial potential.

Years ago, we demonstrated this with our investments in battery storage, RNG and microgrids. Those investments have yielded incredible returns as Ameresco became a “go to provider” for these solutions, and they now account for a material part of our business. We are again looking ahead to technologies such as Small Modular Reactors, and recently hired an executive to focus on developing exciting partnerships in this area of huge potential. We are also

investing in our continued European expansion with the hire of a key executive to manage the growing opportunities across Continental Europe.

Before I turn the call over to Mark, I wanted to cover the policy and regulatory changes in DC and their impact on Ameresco. At this point, we are pleased to have seen an improved business environment with the Federal Government compared to the beginning of the year. Not only do we continue to execute on our many Federal contracts, but we are also engaged in exciting new opportunities that leverage secure Federal land for critical energy infrastructure projects. Along those lines, the White House recently announced an executive order aimed at accelerating the construction of data centers by removing some of the regulatory hurdles, primarily at the permitting level. Importantly, the order also opens the potential for federal land to be used for these sites.

We are continuing to evaluate the One Big Beautiful Bill, and its expected impact on our business, especially as additional details from the bill are worked out. At this time, we do not believe the bill will have a significant near-term impact on our business.

Now I'd like to turn the call over to Mark to provide additional commentary on our excellent results and outlook. Mark?

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**Mark Chiplock – CFO**

Thank you, George, and good afternoon everyone.

I'll echo George's excitement around another solid quarter. We continued to deliver strong financial results, with second quarter revenue growing 8% and Adjusted EBITDA growing 24%, supported by consistent execution, steady backlog conversion and expanding contributions from Europe and our energy asset portfolio.



Revenue in the quarter exceeded our expectations and reflects broad-based contributions across our business lines. Our Projects revenue grew 8%, reflecting strength across our geographies and customer base, with particularly strong performance from our European-based joint venture with Sunel. Europe continues to be an exciting growth market for us and is an important component of our revenue diversification strategy.

Energy Asset revenue grew 18%, driven largely by the growth of assets in operations compared to last year, with our base of operating assets now standing at almost 750 megawatts.

Our recurring O&M revenue maintained steady growth, as we continued to win more long-term O&M business. While revenue from our Other line of business declined due to the divestiture of our AEG

business at the end of 2024, the remaining businesses within our Other revenue segment continued to experience growth.

Gross margin of 15.5% for the quarter was in line with our expectations and reflected solid improvement both sequentially and year over year.

Net income attributable to common shareholders was \$12.9 million, or \$0.24 per share, with Non-GAAP EPS of \$0.27, adjusted primarily for certain costs for restructuring activities related to our Canadian operations. Net income and EPS were positively impacted by \$4.3 million in non-cash, mark-to-market gains on certain unhedged derivatives, and \$3.0 million in foreign exchange translation gains. Excluding the impact of these factors, our earnings per share still grew by approximately 30% compared to last year.

Adjusted EBITDA increased 24% to \$56.1 million, with an Adjusted EBITDA margin of nearly 12%, with this strong performance reflecting

the contributions from our revenue growth, improved gross margins and strong operating leverage.

Our visibility of future revenues remains outstanding, and we believe the demand for our diverse portfolio of solutions remains strong. We continued to achieve substantial growth in our total project backlog, which increased 16% to a record \$5.1 billion – the first time Ameresco has exceeded this milestone. We added over \$550 million of new project awards during the quarter, and as importantly, we continued to convert a significant amount of our awarded backlog into contracts, driving our contracted project backlog up 46% to \$2.4 billion. Including the backlog from our recurring O&M and operating energy assets portfolio, our total revenue visibility now stands at almost \$10 billion.

Turning to our balance sheet and cash flows, we ended the quarter with approximately \$82 million in cash, with total corporate debt of

\$294 million. Our debt to EBITDA leverage ratio under our senior secured facility was 3.4x and remains below the covenant level of 3.5x.

We continued to fuel our energy asset pipeline through the use of innovative financing solutions. During the quarter the Company raised approximately \$170 million in new project financing proceeds including a \$78 million note issuance which we are using to finance an energy storage asset currently under construction. The note purchase agreement also includes an uncommitted private shelf facility to support the development of future solar and battery energy assets.

Our cash generation continued to be positive, with adjusted cash flows from operations of approximately \$50 million. This included the successful sale of approximately \$71 million in Investment Tax Credits generated from three of our RNG projects. Our 8-quarter rolling average adjusted cash from operations was approximately \$47 million.

I want to briefly discuss an update we have made to our non-GAAP adjusted cash flows from operations metric. Historically, we classified the proceeds resulting from the sale of transferable ITCs as operating activities in our GAAP statement of cash flows. In 2025, to better align with current accounting interpretations, we are now classifying these proceeds as investing activities. We are adding these proceeds back to Adjusted Cash from Operations, because we believe it enhances comparability with prior periods and better reflects the economic substance of these transactions.

I also wanted to quickly touch on an item that you will see in our second quarter 10Q. Battery Supplier Powin recently filed for bankruptcy under Chapter 11. Ameresco has a claim of approximately \$27 million against Powin related to agreements signed beginning in 2022. We are actively monitoring the proceedings which are in the early stages, and assessing any potential exposure. But importantly, this

event will not impact the execution of any of our Projects or Energy Assets.

Now let me spend a minute on our 2025 guidance. While we continue to evaluate the industry changes brought about by the One Big Beautiful Bill, we do not expect that these changes will have a material impact on Ameresco in the short term. And with our strong first half results and excellent forward visibility, we are pleased to re-affirm our guidance ranges for 2025.

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

**George Sakellaris – CEO**

Thank you, Mark.

The entire Ameresco team continues its excellent execution, delivering strong results. Over 25 years, we have built a unique energy solutions company which has evolved into the resilient business you see today, and is well positioned to serve the dynamic market opportunities of the future.

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.