AMRC Prepared Remarks Q3 2026 Final

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Leila Dillon – Chief Marketing Officer

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; Nicole Bulgarino Co-President of Ameresco and Josh Baribeau, Chief Investment Officer. In addition, Julie Bradshaw, Vice President of Finance and Interim Principal Financial Officer, will also 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?

George Sakellaris – CEO

Thank you, Leila, and good afternoon, everyone.

Our strong momentum continued in the third quarter, with excellent execution and financial performance across all of our business lines. We also had another great quarter of new business activity, which contributed significantly to our multi-year project backlog.

Importantly, we saw strong contract conversion during the quarter, with $737 million of awards converting into contracted backlog – one of the highest amounts in the Company's history. And we have seen this new business development momentum continue into the fourth quarter. In specific markets, we saw projects move through our sales cycle at a faster pace than we have historically experienced. This was driven by the tremendous need to upgrade and renew existing buildings and public energy infrastructure, coupled with the pressing need for new power generation. Ameresco is uniquely positioned to address these customer needs through our decades of experience delivering energy savings and diverse onsite power solutions.

As I mentioned, all three of our major business lines experienced excellent growth during the third quarter.

Our projects business demonstrated strong results from our two core market pillars – **Buildings and Public Energy Infrastructure**, and **Power Infrastructure**.

Our **Buildings and Public Energy Infrastructure** pillar continued to show solid results across the markets we serve, anchored by the continued strength in our Federal business. Customers across markets and geographies are facing spiking energy costs as well as the need to pay for decades of deferred maintenance, making our budget neutral and sustainable solutions a perfect way to solve both problems. We also continue to expand our offering within this pillar beyond our core energy efficiency offerings, making us a one-stop shop for a broad range of energy infrastructure solutions for our partners.

And, the **Power Infrastructure** pillar of our business is uniquely positioned to address the rapidly growing need for reliable, flexible power. Our diverse portfolio of generation solutions can provide critical backup power to Utilities as well as behind-the-meter, onsite power for commercial and industrial customers seeking to fuel growth and ensure continuity of operations. This is an increasingly important growth opportunity for us, particularly as power constraints intensify and customers look for solutions that can be deployed quickly and tailored to their specific needs. We are seeing this momentum across geographies, from large-scale infrastructure projects in Canada utilizing solutions such as natural gas turbines and battery energy storage, to the continued growth of renewables with our Sunel joint venture in Europe.

I am very pleased to see that our two recurring revenue businesses – Energy Assets and O&M – continued to grow, and have become material components of Ameresco's overall business. We believe these

two businesses will continue to provide excellent growth to our long-term recurring revenue and profits.

Together our three major business lines provide Ameresco with great diversification of end markets, customers and solutions. We expect this to drive our long-term growth and also give us tremendous business resilience.

And finally, I want to take a minute to talk about the election results from last week. One message came through clearly: rising energy costs and affordability are top of mind across the country. We believe Ameresco is exceptionally well positioned in this environment. Our budget-neutral **Building and Public Energy Infrastructure** solutions help customers modernize aging facilities, improve efficiency, resiliency, and reduce energy costs without requiring significant upfront capital. At the same time, our **Power Infrastructure** solutions are helping address the growing need for reliable and cost-effective power. Together, these

capabilities directly address many of the energy challenges facing our customers today, and we believe this environment will continue to create meaningful opportunities for our business.

And now I would like to turn the call over to Nicole to provide additional details on the success we are seeing in our business development activities.

Nicole?

Nicole Bulgarino - Co-President

Thank you, George, and good afternoon, everyone.

I want to start off by focusing on our business development successes, which support our expectation for continued revenue growth in the coming years.

New project awards of $875 million dollars marked one of the Company's strongest quarters for awards on record. Awarded backlog reached over $4.5 billion dollars - over 70% higher than it was at this time last year. This highlights the great momentum we are seeing in our business driven by the confluence of positive industry catalysts.

Our federal business saw record growth, coming from large energy efficiency and infrastructure projects with both the military and civilian agencies. We also continued to see strong demand in the C&I sector, where the need for power and resiliency drove activity in this increasingly important end market. Together our Federal, C&I and European projects accounted for approximately $675 million dollars, or over 75% of our new awards during the quarter, reflecting the important diversification within our backlog.

We also added approximately $200 million dollars to our awarded backlog related to our data center projects. This is due to scope expansion, as the development of these projects progressed. We continue to pursue new data center opportunities that benefit from onsite power solutions. Our offering is differentiated in that we build the power onsite, placing no additional strain on the grid or on the electricity prices in the community. Our solutions also minimize the use of the municipal water supply and bring benefits to the communities. As we look to the future, we intend to maintain our approach to strategically select the best fit industry partners and capitalize on the use of our existing Federal land.

You may have seen our recent announcement with the Army to develop onsite nuclear power generation projects that will be designed to enhance mission readiness and resilience, while providing clean power to the greater grid. We believe nuclear technologies have the potential to play a significant role in the future for clean firm power.

We are actively working with several nuclear technology companies to develop an integrated solution for our customers, and we just signed our first EPC contract for the balance of plant work for a microreactor project.

With the growth in our backlog, I want to highlight contract conversions, where we delivered exceptional execution this quarter. Contract conversions accelerated across several of our key end markets, including Federal, Canada and Europe, driven by strong relationships and repeat business from our existing customers. A great example of this is the U.S. Department of Veterans Affairs, where we are currently engaged in multiple infrastructure improvement projects at facilities across several states.

Thanks to the Team's hard work this quarter, our total backlog – awarded and contracted – has grown to nearly $7.2 billion, up almost

40% from this time last year, giving us revenue visibility for many years to come.

I'll now turn the call over to Josh to cover our strong Q3 financial performance in more detail.

Josh?

Josh Baribeau – CIO

Thank you, Nicole. And good afternoon, everyone.

Before I cover our Q3 results, I want to briefly walk through an accounting change and a change in our non-GAAP methodology that impacted how we presented our results and our forward guidance.

First, in the third quarter we completed a further accounting evaluation of the Neogenyx transaction. In conjunction with external accounting partners, we determined that HLBV accounting is the more appropriate way to reflect this joint venture in our financials. HLBV allocates income or loss based on what each partner would receive if the joint venture were liquidated at book value at each reporting date. This method is commonly used in tax equity and complex partnership structures. Importantly, this change does not affect the underlying economics, cash flows or operations of our business.

Next, because HLBV results can vary meaningfully from quarter to quarter, our Non-GAAP EPS and Adjusted EBITDA now reflect 100% of the operating results of our consolidated joint ventures, Neogenyx Fuels and Ameresco Sunel Energy, to make period-to-period comparisons easier. Our ownership of the joint ventures does not change – we continue to own 70% of Neogenyx and 51% of the Sunel JV.

To maintain transparency within our results, we have included net income and adjusted EBITDA for each JV in our press release. Neogenyx results are reflected in our Renewable Fuels segment, which is substantially all of Neogenyx.

Turning to our great quarterly results. Total revenue increased 10% to $580 million, reflecting strong execution across our three major business lines as well as excellent business development activity. Project revenue increased 9% to $446 million with particular strength from Federal, C&I and our Sunel JV.

Our Energy Asset business had another strong quarter as we continued to benefit from the expansion of our portfolio of owned operating assets, with revenue growing 21% to $75 million. Our operating Energy Asset base stands at 827 MWe, with another 500 MWe in development

or construction. Revenue of the assets is consolidated, but the MW figures reflect Ameresco's 70% ownership in the Neogenyx JV.

We also continued to add O&M contracts, driving revenue growth for this business by 20% to $37 million. Our O&M backlog now exceeds $1.5 billion, supporting what we expect to provide many years of recurring profitable revenue visibility.

Gross margin expanded to 18.7%, with meaningful improvement on both a sequential and year-over-year basis. Margin improvement was driven by a combination of a favorable business mix and strong execution. During the quarter we made a change to the useful life assumptions of our Energy assets, extending it to 30 years from 20 years previously, bringing us more in-line with industry averages. This change reduced the depreciation expense related to our energy assets beginning in Q3 and going forward. Largely offsetting this reduction in Q3 was an increase in depreciation from our planned adoption of tax-

based accounting for transferrable Investment Tax Credits, which I'll touch upon in a moment.

Net income attributable to common shareholders was $31.9 million, or $0.59 per diluted share, while Non-GAAP EPS was $0.88.

Earnings for the quarter included a large tax benefit related to our planned adoption of a tax-based accounting policy. We believe this better aligns the earnings benefit of investment tax credits with the period in which they are generated, rather than allocating the benefit over the life of the related assets. The retrospective application of this tax accounting policy is reflected in our year-to-date results as well as the 2025 recast comparisons.

Adjusted EBITDA increased to $92 million and represents the full consolidation of our JVs as previously discussed. For ease of comparison with your prior models, without this full consolidation, non-

GAAP EPS in Q3 would have been $0.60 per share and Adjusted EBITDA would have been $78 million.

We have provided supplemental quarterly details for all of 2025 and 2026, reflecting the retrospective application of our new tax-based accounting policy, as well as the full consolidation of our JVs' results in our press release.

Turning to our balance sheet, unrestricted cash was $129 million, with total corporate debt of $380 million. Our corporate leverage was 2.9x, comfortably below our 3.5x covenant. During the quarter, we secured $106 million of new financing commitments, which should give us additional financial flexibility to fund our expected growth, support our working capital needs, and scale our Energy Asset portfolio in a disciplined way.

As detailed in our press release, we are providing Q4 guidance and updating our full year 2026 guidance. These updates reflect the accounting changes I discussed, as well as the inclusion of 100% of the operating results of our consolidated joint ventures in our Non-GAAP EPS and Adjusted EBITDA presentations. Our guidance only reflects these changes and does not reflect a change in our operational outlook. Our full year adjusted EBITDA and Non-GAAP EPS guidance would have otherwise been unchanged.

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

George Sakellaris – CEO

Thank you, Josh.

As you have heard, this was a strong quarter of execution, driving excellent financial performance and significant new business activity.

That momentum has continued into the fourth quarter, positioning us to cap off a tremendous year of execution and development activity. With the growth backlog and the strength of our recurring revenue businesses, we believe we are well positioned to deliver continued profitable growth in 2027 and beyond.

We look forward to connecting with many of you at upcoming meetings, conferences and events. In closing, I want to once again thank our employees, customers and stockholders for their continued support and confidence in Ameresco.

Operator we would like to open the call to questions.