

Q4 2020 Supplemental Information

March 1, 2021



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Safe Harbor

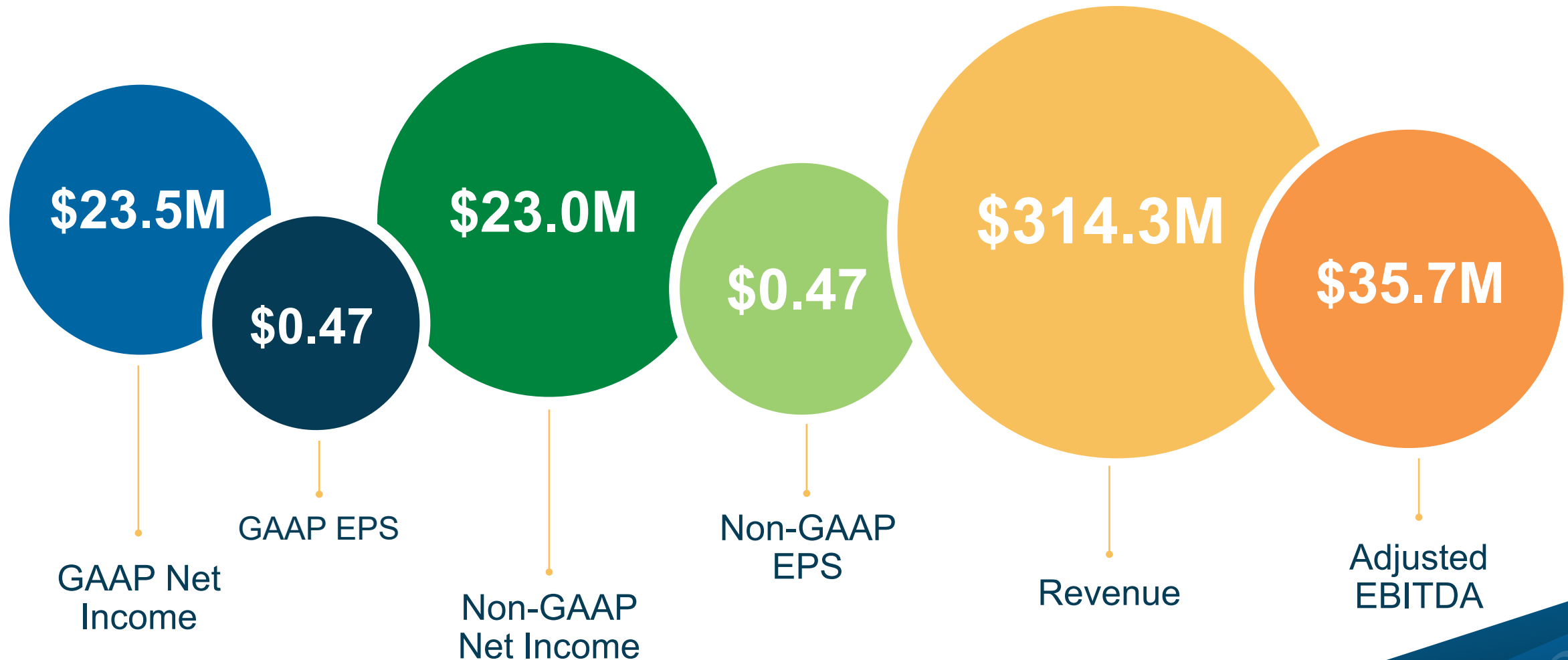
Forward Looking Statements

Any statements in this presentation about future expectations, plans and prospects for Ameresco, Inc., including statements about market conditions, pipeline and backlog, as well as estimated future revenues and net income, and other statements containing the words “projects,” “believes,” “anticipates,” “plans,” “expects,” “will” and similar expressions, constitute forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by such forward looking statements as a result of various important factors, including the timing of, and ability to, enter into contracts for awarded projects on the terms proposed; the timing of work we do on projects where we recognize revenue on a percentage of completion basis, including the ability to perform under recently signed contracts without unusual delay; demand for our energy efficiency and renewable energy solutions; our ability to arrange financing for our projects; changes in federal, state and local government policies and programs related to energy efficiency and renewable energy; the ability of customers to cancel or defer contracts included in our backlog; the effects of our recent acquisitions and restructuring activities; seasonality in construction and in demand for our products and services; a customer’s decision to delay our work on, or other risks involved with, a particular project; availability and costs of labor and equipment; the addition of new customers or the loss of existing customers; market price of the Company’s stock prevailing from time to time; the nature of other investment opportunities presented to the Company from time to time; the Company’s cash flows from operations; and other factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2019, filed with the U.S. Securities and Exchange Commission (SEC) on March 4, 2020, and in our Quarterly Report on Form 10-Q, filed with the SEC on May 5, 2020. Currently, one of the most significant factors, however, is the potential adverse effect of the current pandemic of the novel coronavirus, or COVID-19, on our financial condition, results of operations, cash flows and performance and the global economy and financial markets. The extent to which COVID-19 impacts us, suppliers, customers, employees and supply chains will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures, among others. Moreover, you should interpret many of the risks identified in our Annual Report and Quarterly Report as being heightened as a result of the ongoing and numerous adverse impacts of COVID-19. In addition, the forward-looking statements included in this presentation represent our views as of the date of this presentation. We anticipate that subsequent events and developments will cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we specifically disclaim any obligation to do so. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this presentation.

Use of Non-GAAP Financial Measures

This presentation and the accompanying tables include references to adjusted EBITDA, Non-GAAP EPS, Non-GAAP net income and adjusted cash from operations, which are Non-GAAP financial measures. For a description of these Non-GAAP financial measures, including the reasons management uses these measures, please see the section in the back of this presentation titled “Non-GAAP Financial Measures”. For a reconciliation of these Non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP, please see the table at the end of this presentation titled “GAAP to Non-GAAP Reconciliation.”

Q4 2020 Highlights



Sources of Revenue – Q4 2020



\$244.8M

Projects

Energy efficiency and
renewable energy projects



\$50.0M

Recurring

Energy & incentive revenue
from owned energy assets; plus
recurring O&M from projects

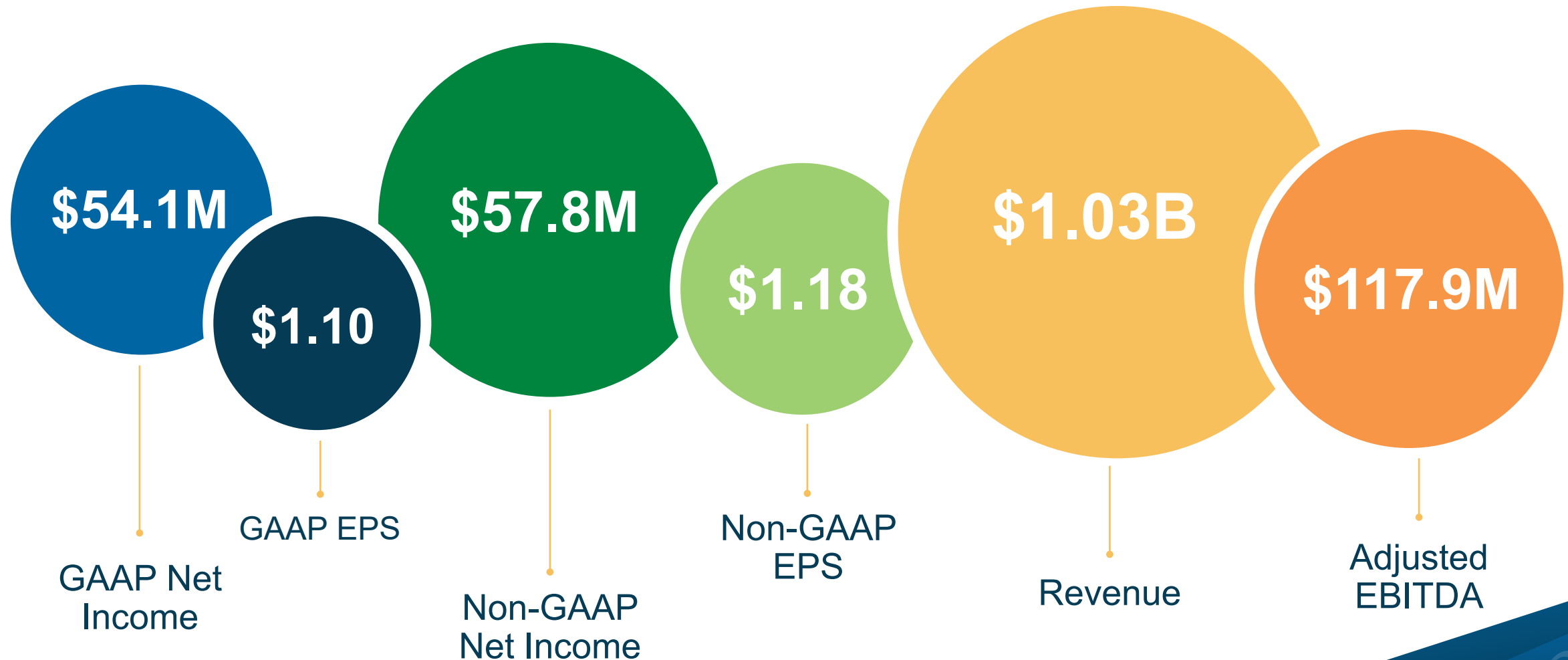


\$19.5M

Other

Services, software and
integrated PV

FY 2020 Highlights



Sources of Revenue – FY 2020



\$764.6M

Projects

Energy efficiency and
renewable energy projects



\$190.6M

Recurring

Energy & incentive revenue
from owned energy assets; plus
recurring O&M from projects



\$77.1M

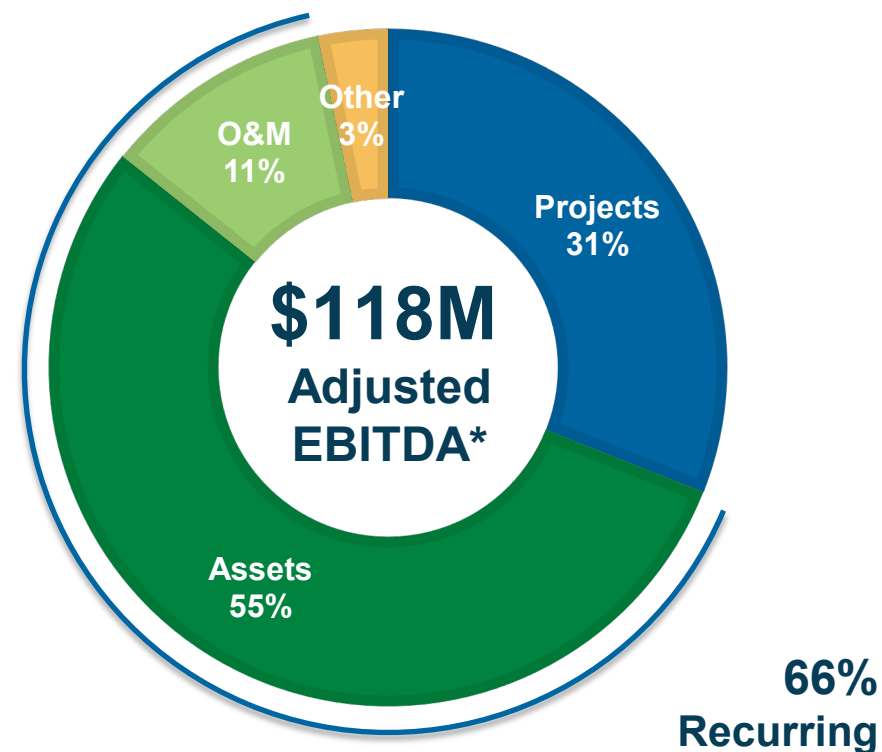
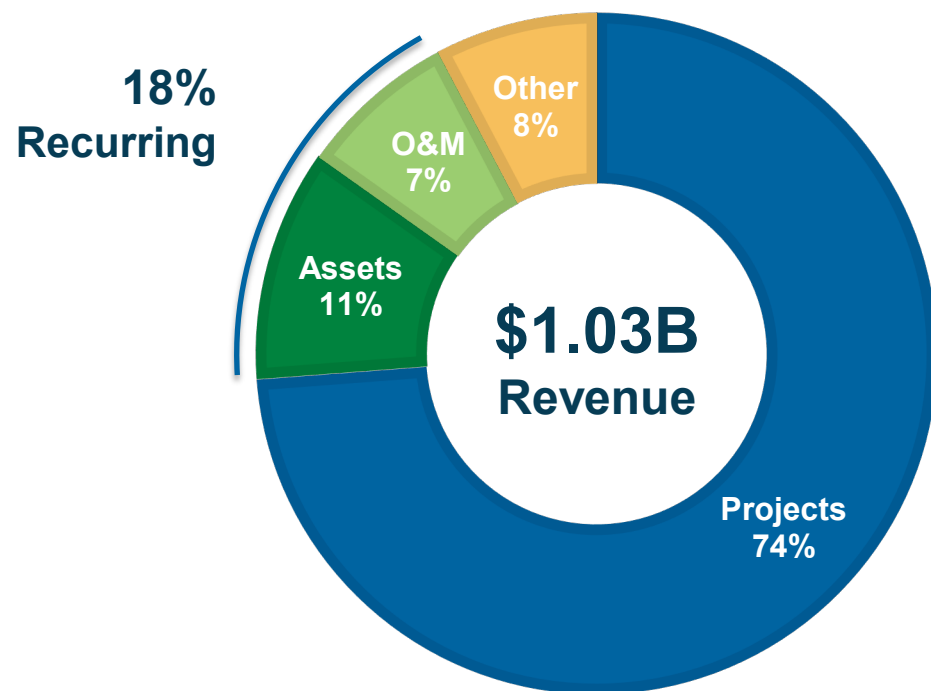
Other

Services, software and
integrated PV

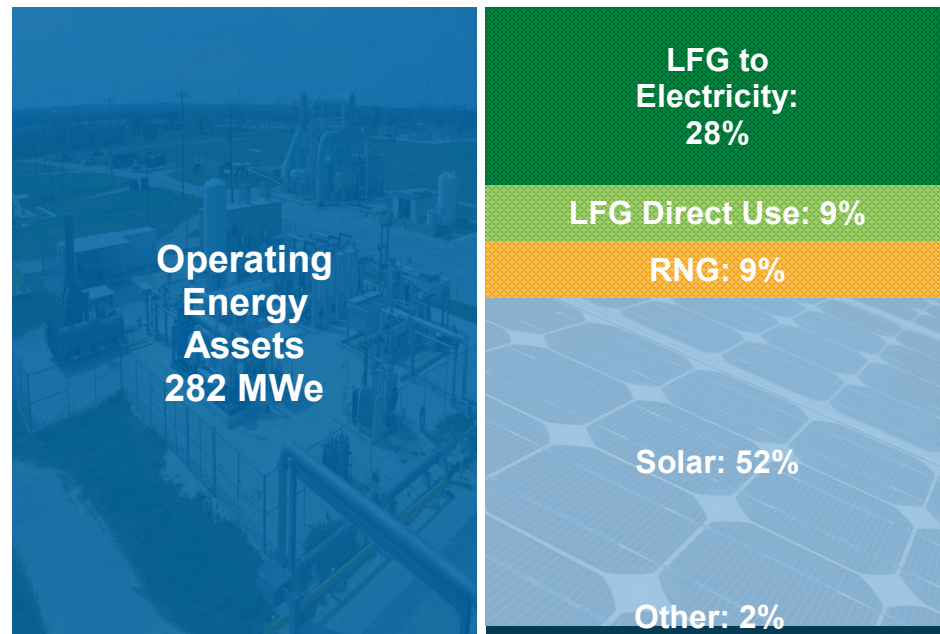
66% of EBITDA Came From Recurring Lines of Business

Year-to-Date 2020

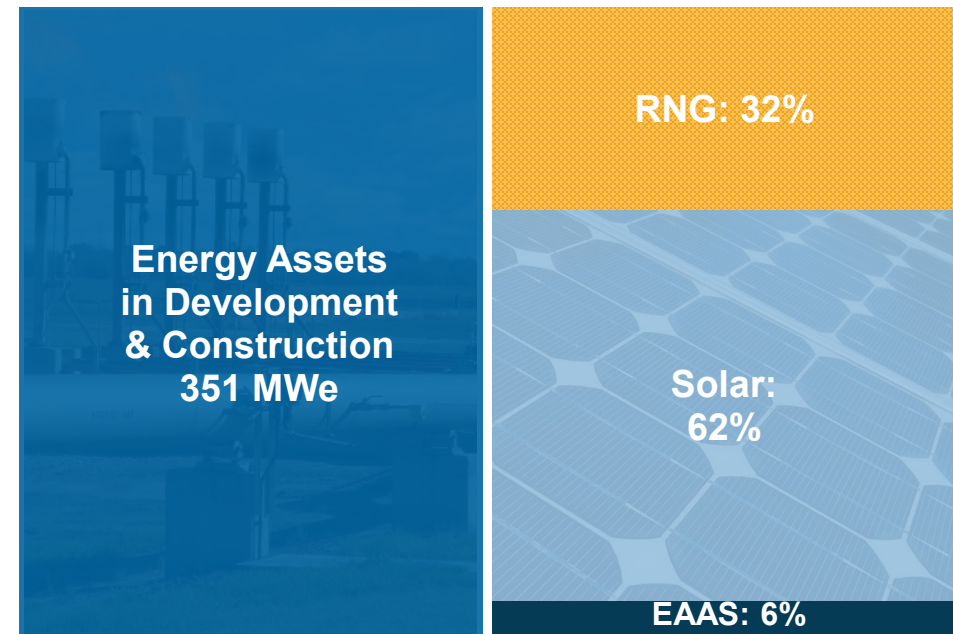
* Adjusted EBITDA percentages allocate corporate expenses according to revenue share



Energy Asset Portfolio – 12/31/2020



282 MWe of Energy Assets. Renewable Gas is 129 MWe, Solar is 147 MW, Other is 6 MW*



351 MWe in development & construction. Renewable Gas is 114 MWe, Solar is 217 MW, Energy as a Service is 21 MW*

* Numbers may not sum due to rounding

Energy Asset Balance Sheet – 12/31/2020

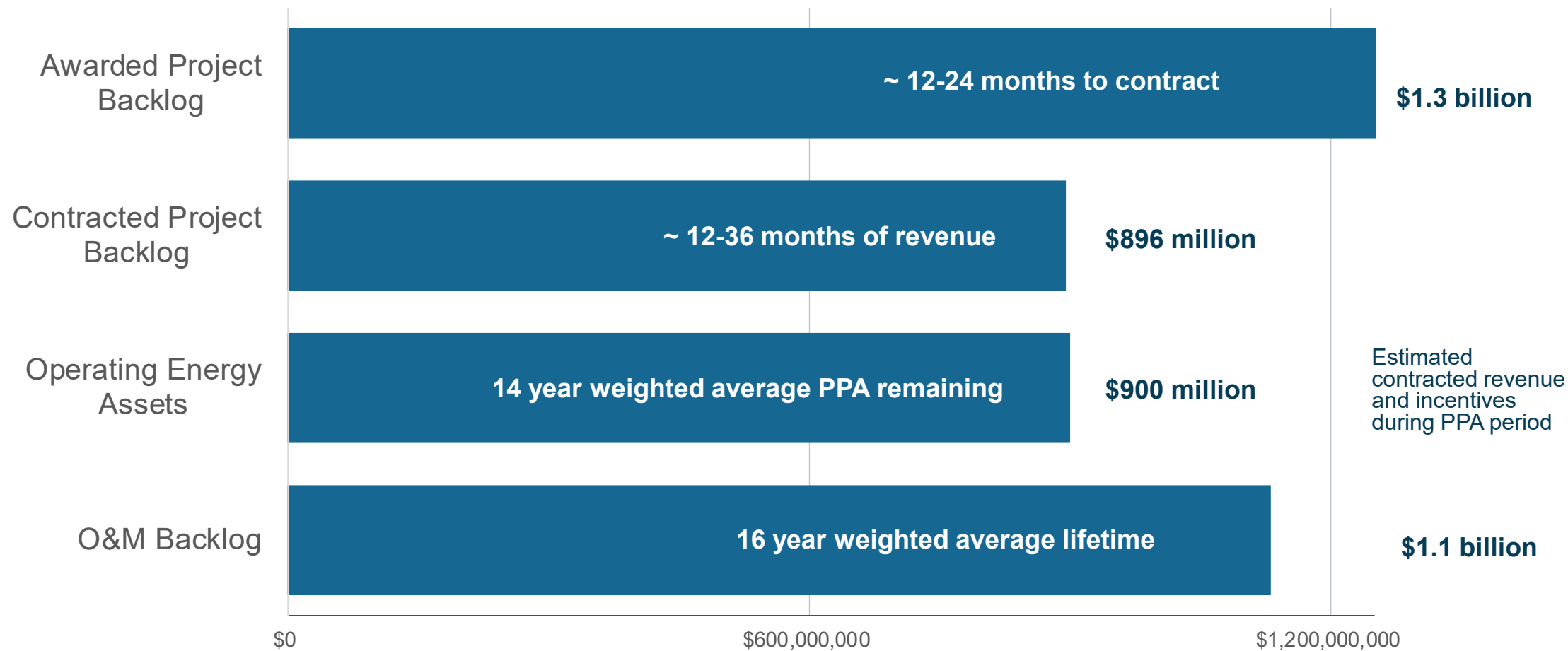


\$267M of the \$729M energy assets on our balance sheet are still in development or construction.

\$271M of the \$381M* of total debt on our balance sheet is debt associated with our operating energy assets. All of the energy debt is **non-recourse** to Ameresco, Inc.

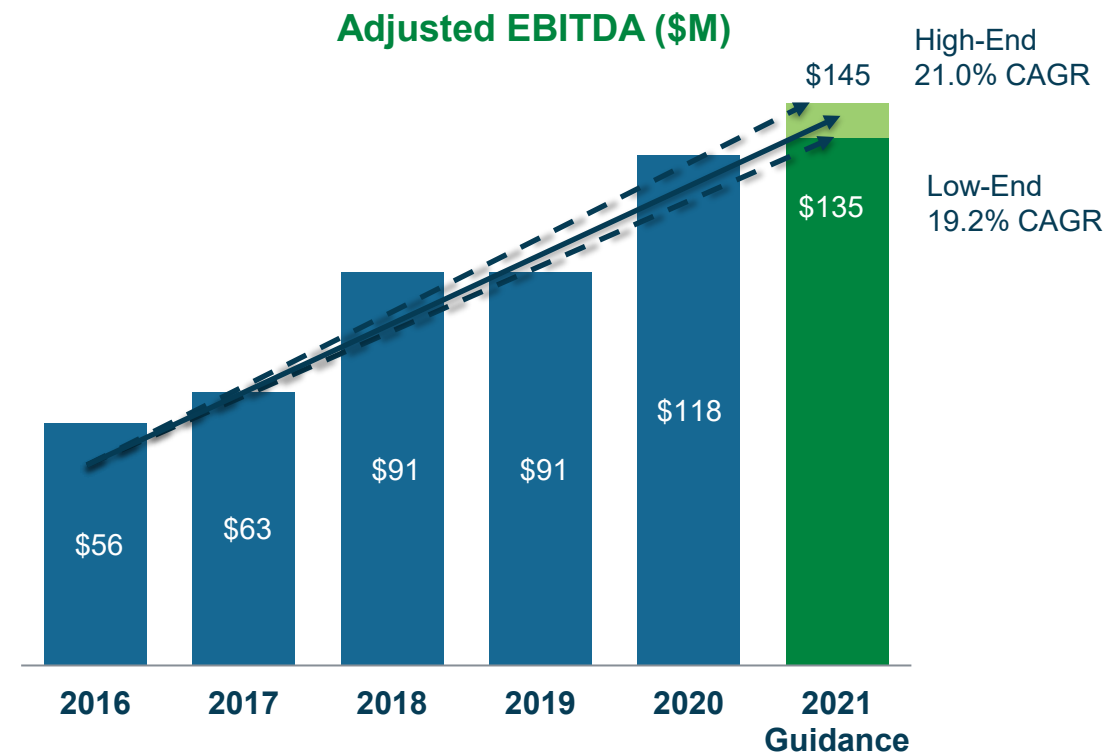
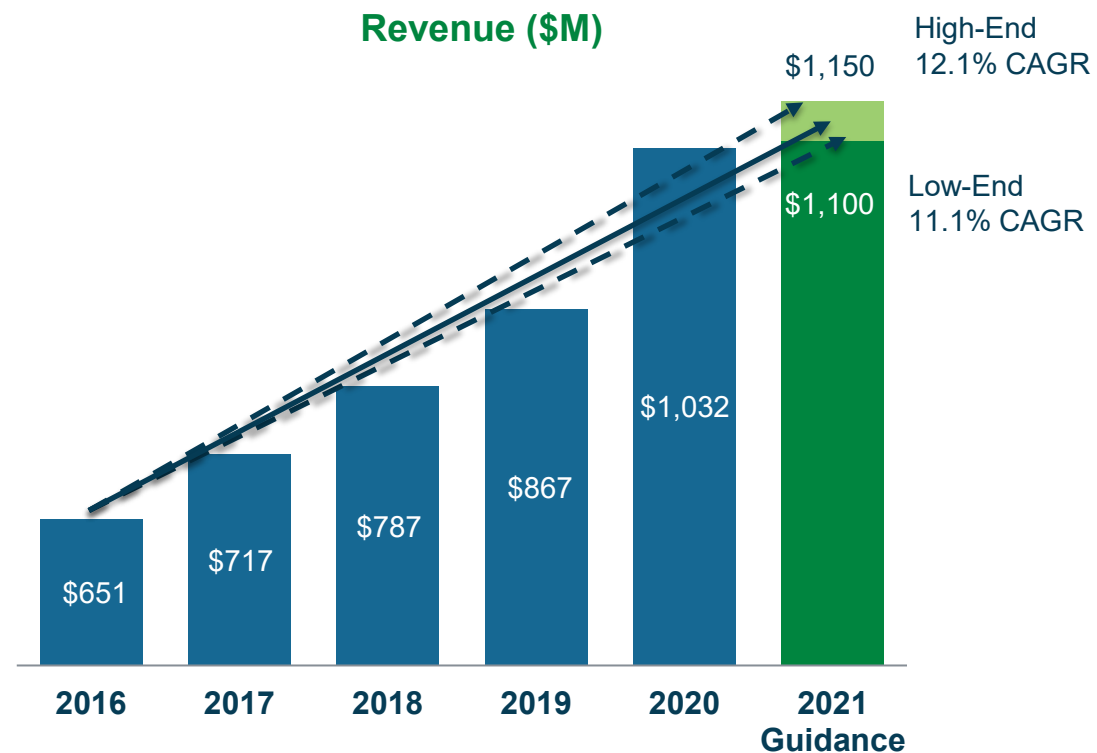
* Net of unamortized debt discount and debt issuance costs of \$500,000 on Corporate Debt and \$10.2M on Energy Debt

Tremendous Forward Visibility: Backlog & Recurring Revenue Business



Sustainable & Profitable Business Model

Expanding Earnings at a Faster Rate than Revenue by Growing Higher Margin Recurring Lines of Business

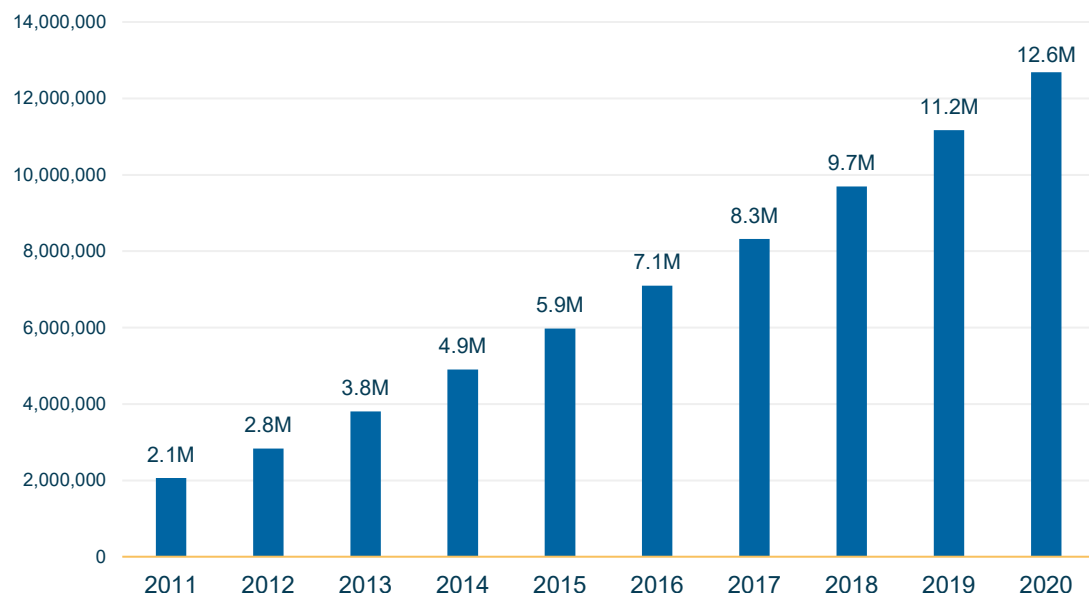


Enabling a Low Carbon Future

Since 2010, Ameresco's renewable energy assets & customer projects delivered a Carbon Offset equivalent to:

60+ Million Metric Tons of CO₂

Aggregate Metric Tons of CO₂ Avoided Per Year



Ameresco's 2020 Carbon Offset of approximately **12.6M Metric Tons of CO₂** is equal to one of...



Greenhouse gas emissions from... **31.4 billion miles driven by an average passenger vehicle**

or



Carbon sequestered by... **16.5 million acres of U.S. forests in one year**

Thank You

to Our Customers, Employees, and Shareholders

Non-GAAP Financial Measures

We use the Non-GAAP financial measures defined and discussed below to provide investors and others with useful supplemental information to our financial results prepared in accordance with GAAP. These Non-GAAP financial measures should not be considered as an alternative to any measure of financial performance calculated and presented in accordance with GAAP. For a reconciliation of these Non-GAAP measures to the most directly comparable financial measures prepared in accordance with GAAP, please see the table at the end of this presentation titled "GAAP to Non-GAAP Reconciliation." We understand that, although measures similar to these Non-GAAP financial measures are frequently used by investors and securities analysts in their evaluation of companies, they have limitations as analytical tools, and investors should not consider them in isolation or as a substitute for the most directly comparable GAAP financial measures or an analysis of our results of operations as reported under GAAP. To properly and prudently evaluate our business, we encourage investors to review our GAAP financial statements and not to rely on any single financial measure to evaluate our business.

Adjusted EBITDA and Adjusted EBITDA Margin

We define adjusted EBITDA as operating income before depreciation, amortization of intangible assets, accretion of asset retirement obligations, contingent consideration expense, stock-based compensation expense, restructuring charges, and gain or loss upon deconsolidation of a variable interest entity ("VIE"). We believe adjusted EBITDA is useful to investors in evaluating our operating performance for the following reasons: adjusted EBITDA and similar Non-GAAP measures are widely used by investors to measure a company's operating performance without regard to items that can vary substantially from company to company depending upon financing and accounting methods, book values of assets, capital structures and the methods by which assets were acquired; securities analysts often use adjusted EBITDA and similar non-GAAP measures as supplemental measures to evaluate the overall operating performance of companies; and by comparing our adjusted EBITDA in different historical periods, investors can evaluate our operating results without the additional variations of depreciation and amortization expense, accretion of asset retirement obligations, contingent consideration expense, stock-based compensation expense, restructuring charges, and gain or loss upon deconsolidation of a VIE. We define adjusted EBITDA margin as adjusted EBITDA stated as a percentage of revenue. Our management uses adjusted EBITDA and adjusted EBITDA margin as measures of operating performance, because they do not include the impact of items that we do not consider indicative of our core operating performance; for planning purposes, including the preparation of our annual operating budget; to allocate resources to enhance the financial performance of the business; to evaluate the effectiveness of our business strategies; and in communications with the board of directors and investors concerning our financial performance.

Non-GAAP Net Income and EPS

We define Non-GAAP net income and earnings per share ("EPS") to exclude certain discrete items that management does not consider representative of our ongoing operations, including restructuring charges, gain or loss upon deconsolidation of a VIE and impact from redeemable noncontrolling interest. We consider Non-GAAP net income and Non-GAAP EPS to be important indicators of our operational strength and performance of our business because they eliminate the effects of events that are not part of the Company's core operations.

Adjusted Cash from Operations

We define adjusted cash from operations as cash flows from operating activities plus proceeds from Federal ESPC projects. Cash received in payment of Federal ESPC projects is treated as a financing cash flow under GAAP due to the unusual financing structure for these projects. These cash flows, however, correspond to the revenue generated by these projects. Thus we believe that adjusting operating cash flow to include the cash generated by our Federal ESPC projects provides investors with a useful measure for evaluating the cash generating ability of our core operating business. Our management uses adjusted cash from operations as a measure of liquidity because it captures all sources of cash associated with our revenue generated by operations.

GAAP to Non-GAAP Reconciliation

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Adjusted EBITDA:				
Net income attributable to common shareholders	\$ 23,485	\$ 22,203	\$ 54,052	\$ 44,436
Impact from redeemable non-controlling interests	276	(1,611)	2,870	(4,135)
Less: Income tax benefit	(1,091)	(5,748)	(494)	(3,748)
Plus: Other expenses, net	1,904	3,702	15,071	15,061
Plus: Depreciation and amortization	10,525	10,305	42,041	39,439
Plus: Stock-based compensation	553	425	1,933	1,620
Plus: Energy asset impairment	-	-	1,028	-
Plus: Restructuring and other charges	66	219	1,376	629
Less: Gain on deconsolidation of VIE	-	-	-	(2,160)
Adjusted EBITDA	<u>\$ 35,718</u>	<u>\$ 29,495</u>	<u>\$ 117,877</u>	<u>\$ 91,142</u>
Adjusted EBITDA margin	11.4%	9.6%	11.4%	10.5%
Non-GAAP net income and EPS:				
Net income attributable to common shareholders	\$ 23,485	\$ 22,203	\$ 54,052	\$ 44,436
Adjustment for accretion of tax equity financing fees	(30)	-	(121)	-
Impact of redeemable non-controlling interests	276	(1,611)	2,870	(4,135)
Plus: Energy asset impairment	-	-	1,028	-
Plus: Restructuring and other charges	66	219	1,376	629
Less: Gain on deconsolidation of VIE	-	-	-	(2,160)
Income Tax effect of non-GAAP adjustments	(769)	1,101	(1,377)	1,101
Non-GAAP net income	<u>\$ 23,028</u>	<u>\$ 21,912</u>	<u>\$ 57,828</u>	<u>\$ 39,871</u>
Earnings per share:				
Diluted net income per common share	\$ 0.47	\$ 0.46	\$ 1.10	\$ 0.93
Effect of adjustments to net income	-	-	0.08	(0.10)
Non-GAAP EPS	<u>\$ 0.47</u>	<u>\$ 0.46</u>	<u>\$ 1.18</u>	<u>\$ 0.83</u>
Adjusted cash from operations				
Cash flows from operating activities	\$ (18,794)	\$ (75,568)	\$ (102,583)	\$ (196,293)
Plus: proceeds from Federal ESPC projects	\$ 54,331	83,802	\$ 248,917	\$ 199,358
Adjusted cash from operations	<u>\$ 35,537</u>	<u>\$ 8,234</u>	<u>\$ 146,334</u>	<u>\$ 3,065</u>