



# **Q3 2018 SUPPLEMENTAL INFORMATION**

OCTOBER 30, 2018

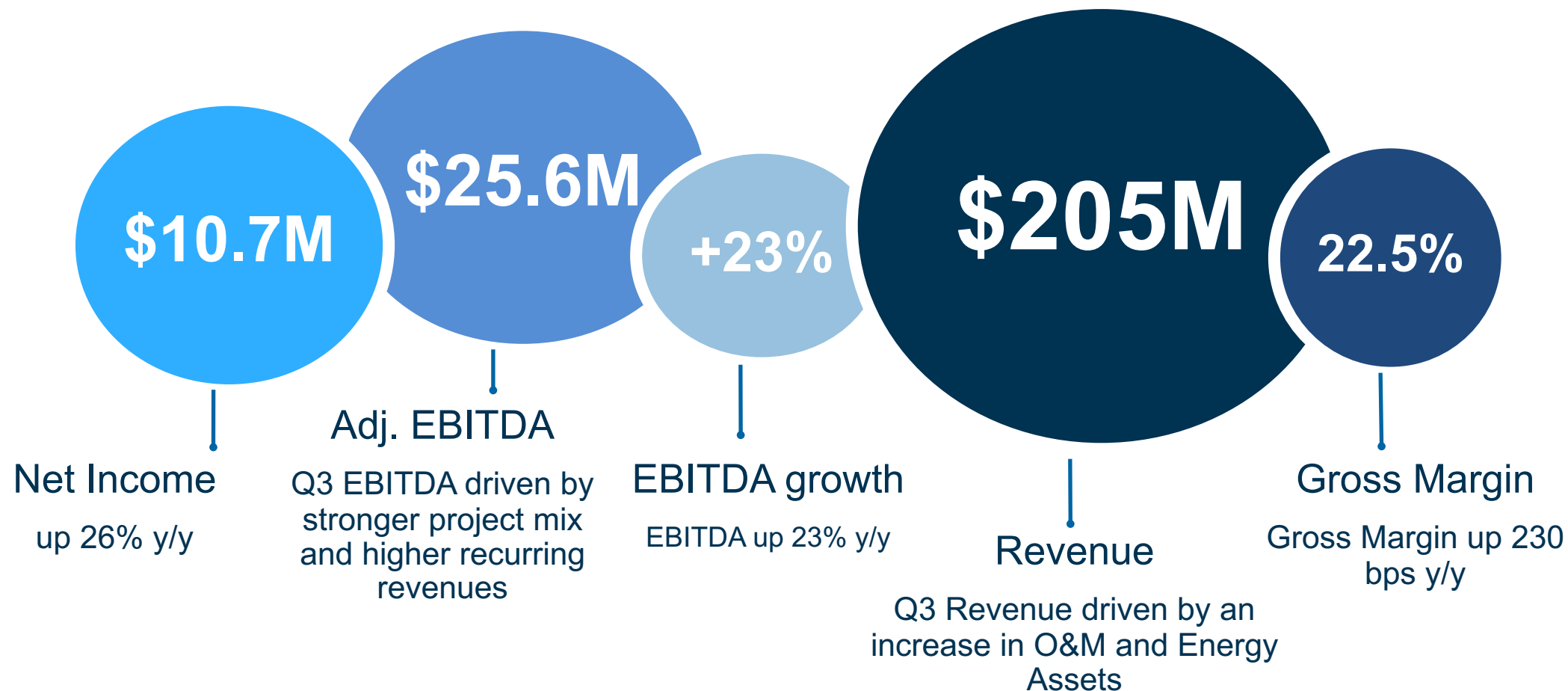
## Forward Looking Statements

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; our ability to place solar assets into service as planned; 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, 2017, filed with the U.S. Securities and Exchange Commission on March 7, 2018. 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 includes references to adjusted EBITDA, adjusted cash from operations, non-GAAP net income and non-GAAP earnings per share, 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 Appendix in 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 tables in the Appendix to this presentation titled “GAAP to Non-GAAP Reconciliation,” “Non-GAAP Financial Guidance” and “Non-GAAP Financial Measures.”

## Q3 2018 HIGHLIGHTS



## ONSITE ENERGY GENERATION:

Solar PV and CHP measures provide more than 20 MW of combined electricity generation annually, or 12% of the current electricity consumption, providing capacity for sustained electrical supply during utility outages.

## ENERGY STORAGE SYSTEMS:

4MW/8MWh energy storage systems provide reliable and fast responding power and can support islanding from the utility.

## MICROGRID SOLUTIONS:

The microgrid system integrates advanced and intelligent load control systems, energy storage, and on-base generation assets to manage the JBSA Mission-determined prioritizing of loads based on the criticality of the mission to the AF and to JBSA operations in fulfillment of mission.

# JOINT BASE SAN ANTONIO

## ENERGY SAVINGS PERFORMANCE CONTRACT

17 comprehensive ECMs implemented in over 900 buildings at Joint Base San Antonio (including, Lackland main, Fort Sam Houston, Randolph, Kelly and Medina Annex)

- 20 MW of onsite generation, backup generation assets, and 4MW/8MWh of energy storage integrated via a microgrid control system
- 140,000 LED upgrades
- Enhanced central plant control
- Upgraded distribution systems with enhanced controls
- Extended thermal storage capacity
- Upgraded direct digital control system

## PROJECT DETAILS



**\$133,530,113**  
ESPC IMPLEMENTATION  
PRICE



**\$34,854,699**  
O&M CONTRACT VALUE  
OVER 22 YEARS



**\$8.7 MILLION**  
ANNUAL SAVINGS



**24% REDUCTION**  
OF ELECTRIC ENERGY  
USE



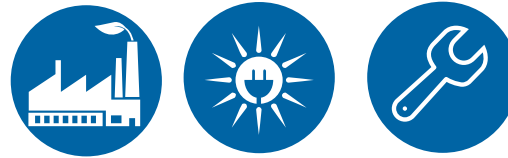
## SOURCES OF REVENUE Q3 2018



**\$141.7M**

### Projects

Energy efficiency and renewable energy projects



**\$42.7M**

### Recurring

Energy & incentive revenue from owned solar and renewable gas assets; plus recurring O&M from projects

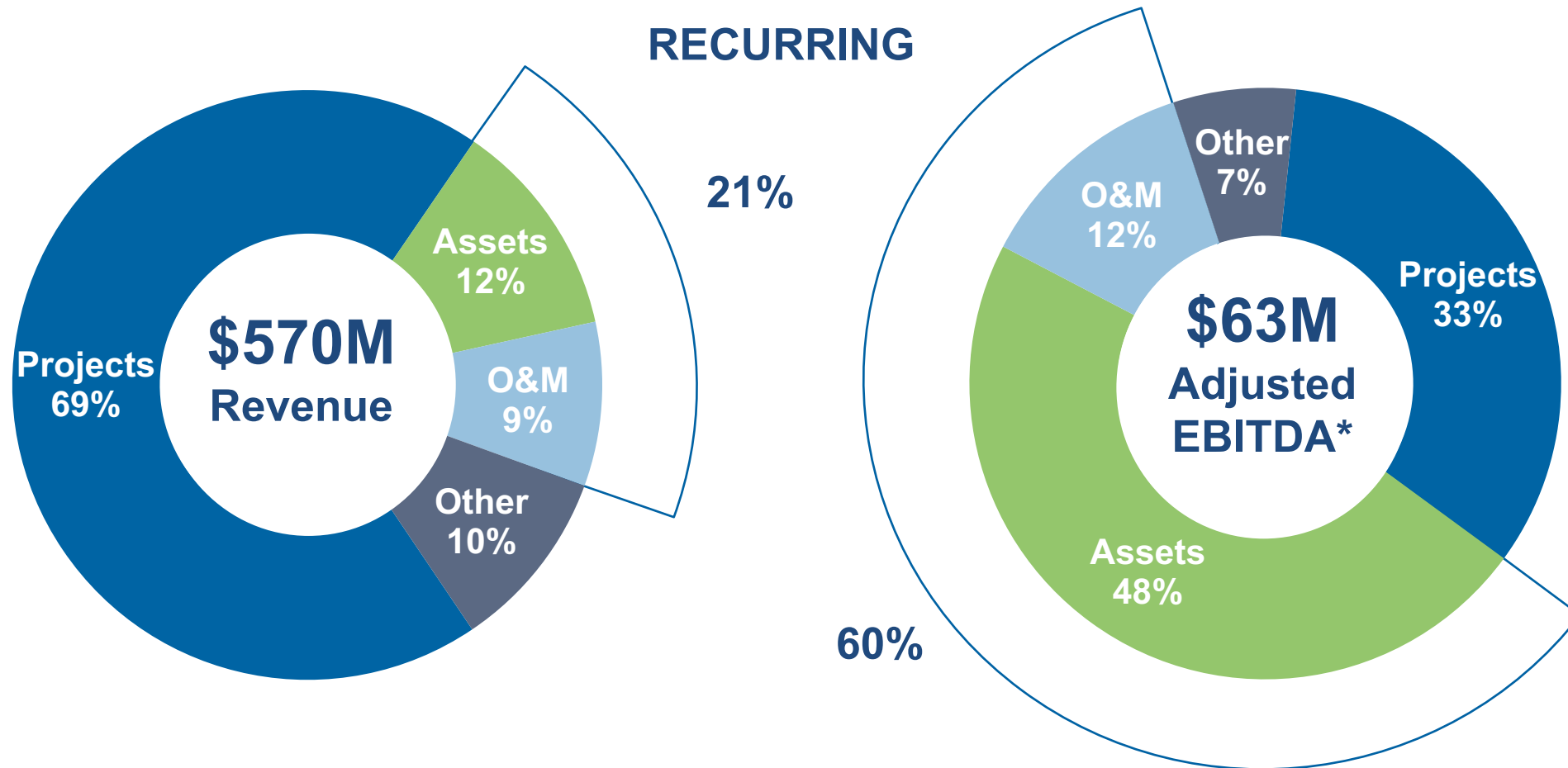


**\$21.0M**

### Other

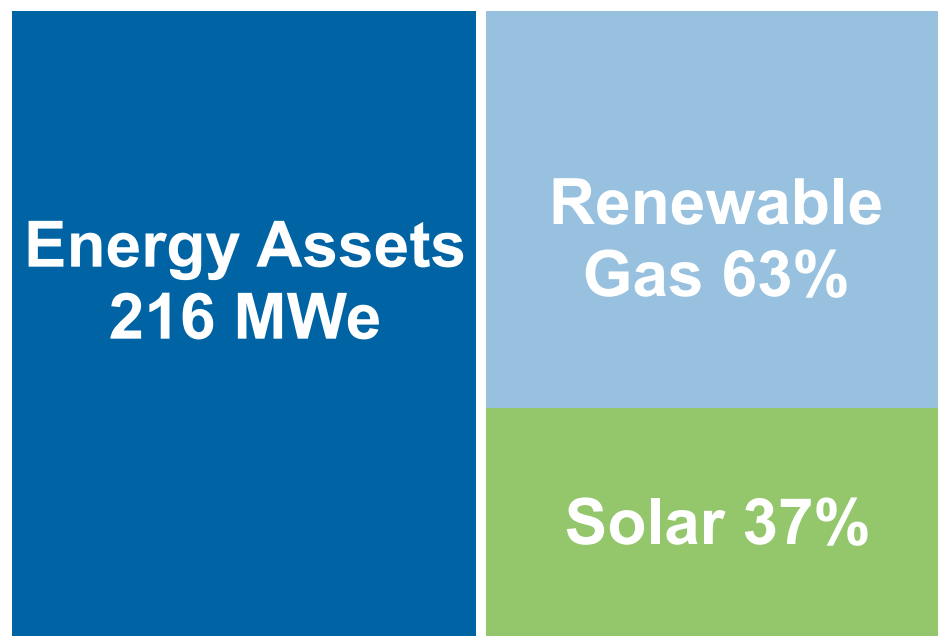
Services, software and integrated PV

# 60% OF PROFIT CAME FROM RECURRING LINES OF BUSINESS YTD 2018

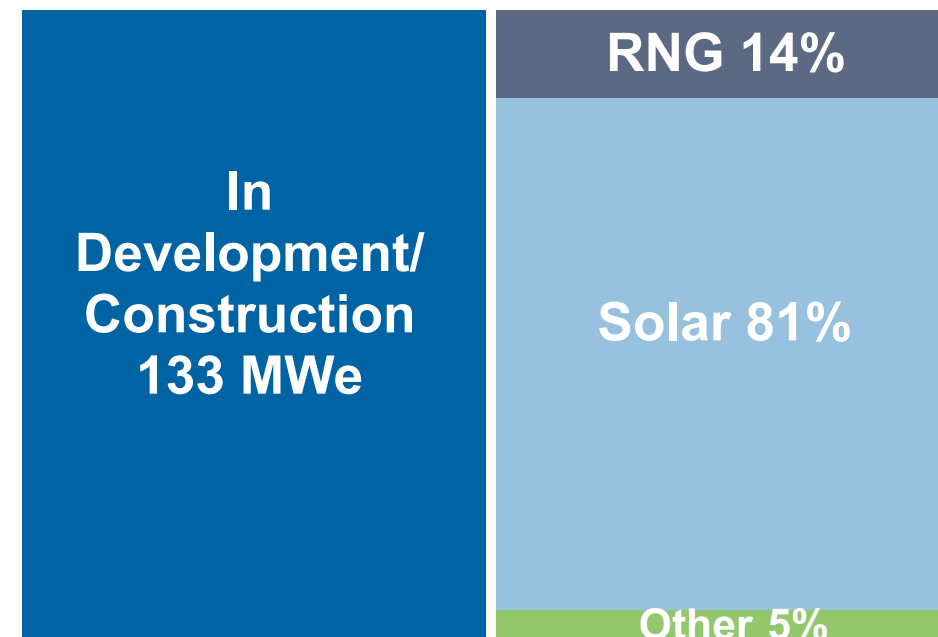


\* Adjusted EBITDA percentage amounts exclude unallocated corporate expenses.

## ENERGY ASSET PORTFOLIO – 9/30/2018



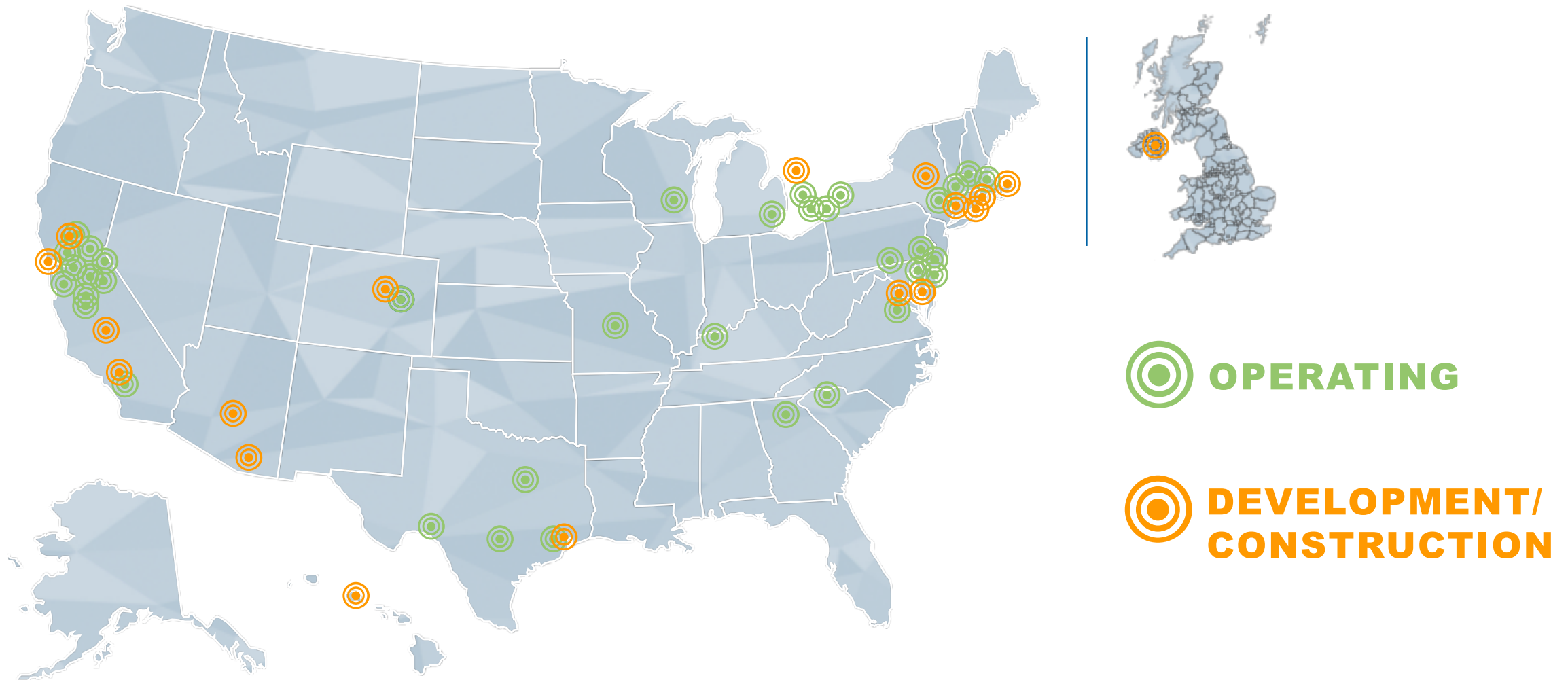
216 MWe of Energy Assets. Renewable Gas is 135 MWe, Solar is 81 MW\*



133 MWe in development & construction. Renewable Gas is 18 MWe, Solar is 108 MW, Other is 6 MW\*

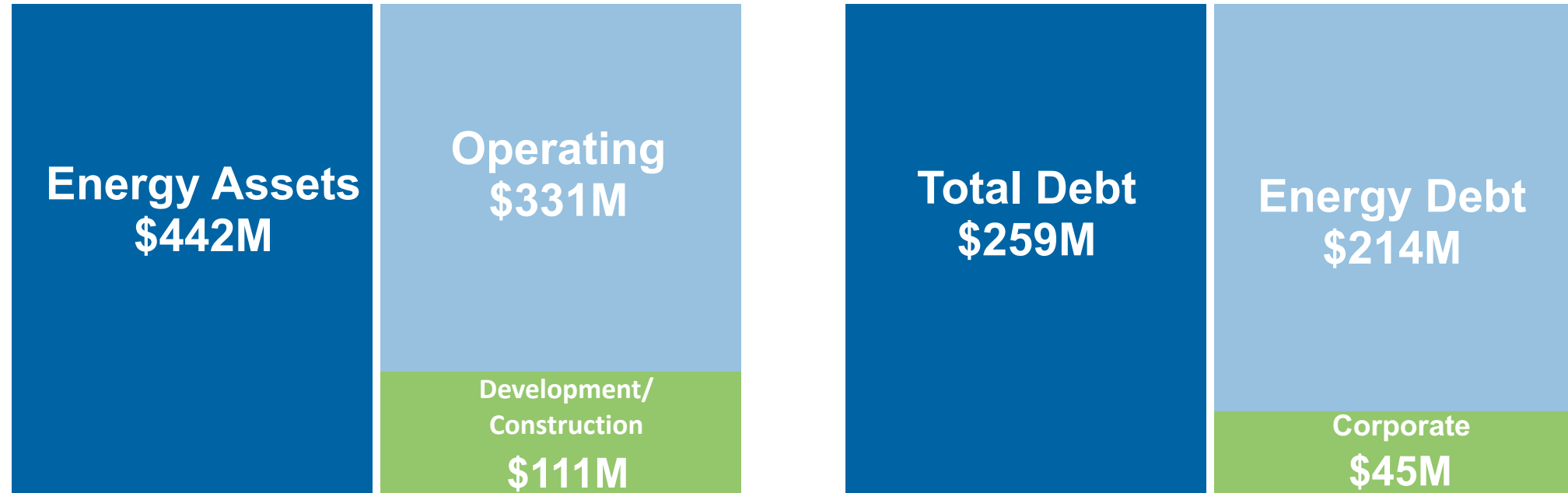
\* Numbers may not sum due to rounding

# DIVERSIFIED PORTFOLIO OF ENERGY ASSETS





## ENERGY ASSET BALANCE SHEET – 9/30/2018



\$111M out of the \$442M energy assets on our balance sheet are still in development or construction.

\$214M out of the \$259M of total debt on our balance sheet is debt associated with our energy assets. **\$212M** of the energy debt is **non-recourse** to Ameresco, Inc.

\* Numbers may not sum due to rounding

# AMERESCO HAS STRONG MULTI-YEAR VISIBILITY

\$819M

Contracted Project Backlog: 12-36 months to Revenue



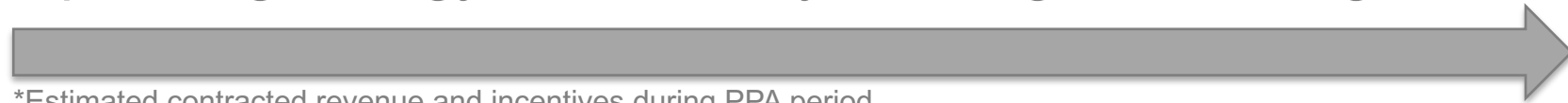
\$1.2B

Awarded Project Backlog: 18-42 months to Revenue



\$850M\*

Operating Energy Assets: 13 year weighted average PPA remaining



\*Estimated contracted revenue and incentives during PPA period

\$937M

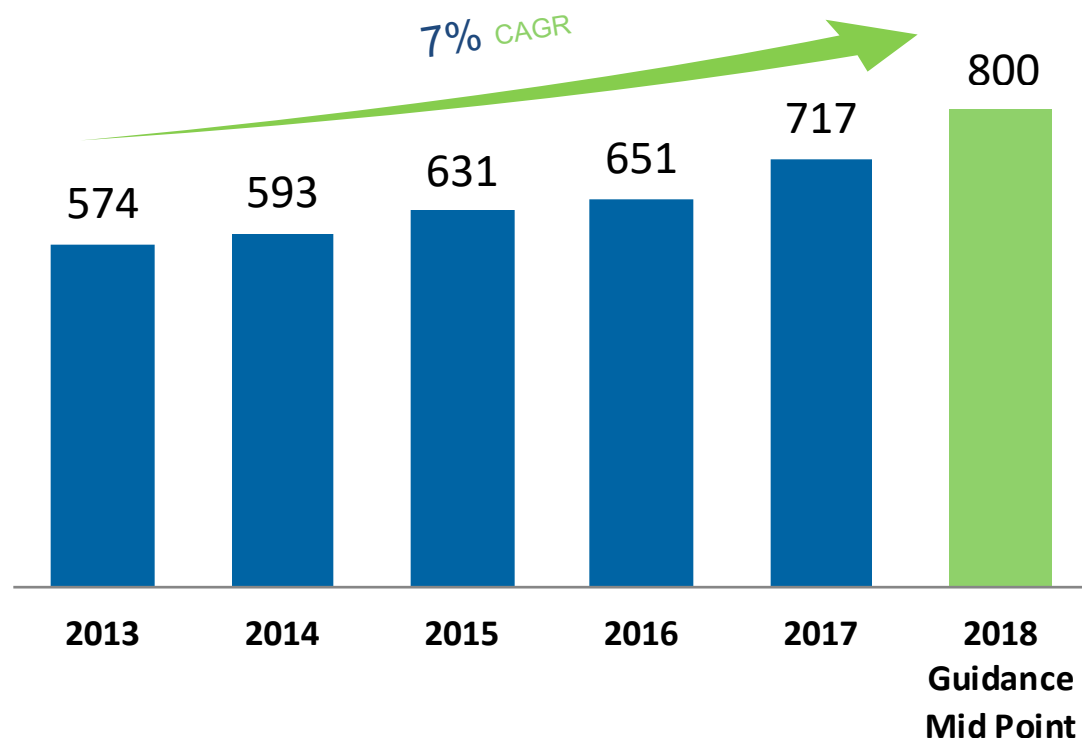
O&M Backlog: 16 year weighted average lifetime



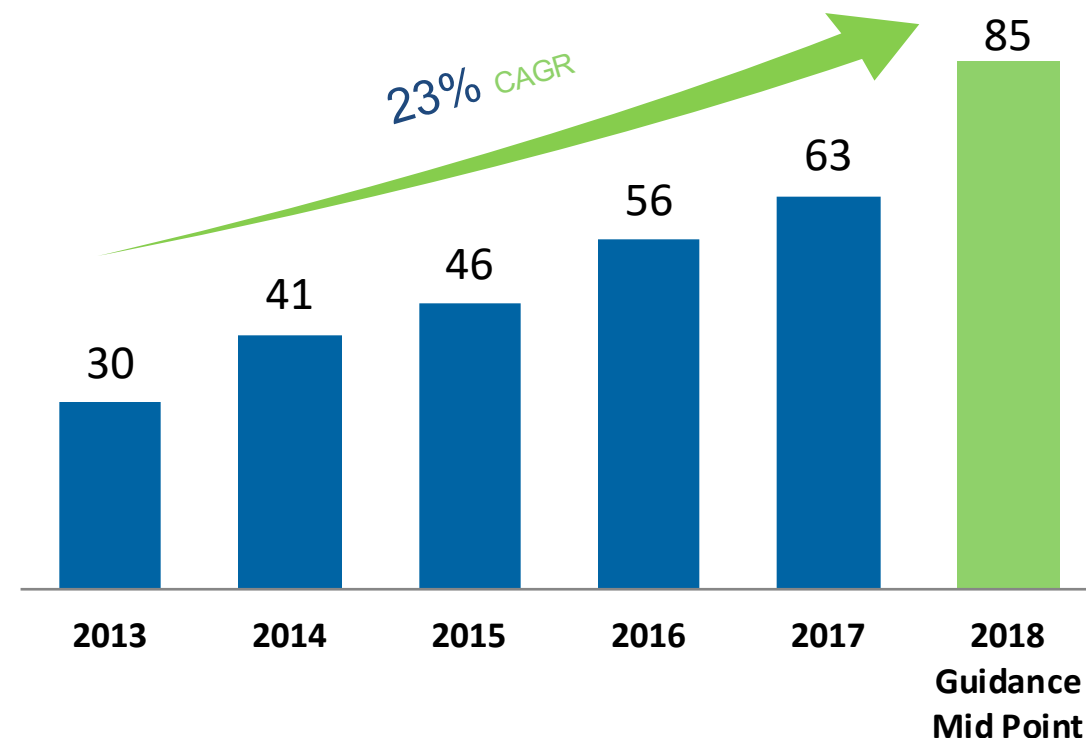
# SUSTAINABLE AND PROFITABLE BUSINESS MODEL

EXPANDING EARNINGS AT A FASTER RATE THAN REVENUE BY GROWING HIGHER MARGIN RECURRING LINES OF BUSINESS

## Revenue (\$M)



## Adjusted EBITDA (\$M)



FY 2018 adjusted EBITDA and EPS guidance was raised 10/30/2018.



# APPENDIX

# ENERGY ASSET METRICS

Energy Asset Metrics (in thousands, except megawatt equivalents "MWe")				
	As of September 30,			
	2018		2017	
	MWe	\$	MWe	\$
Energy Assets:				
In Operations	216.0	331,471	183.4	274,679
In Development/Construction	133.0	110,546	87.1	82,476
Total Energy Assets	349.0	\$442,018	270.5	\$357,155
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Energy Assets Performance:				
Revenues	\$25,504	\$18,559	\$69,790	\$51,898
Adjusted EBITDA	\$15,761	\$12,294	\$43,433	\$31,513
	As of September 30,			
	2018	2017		
Energy Assets Debt Financing:				
In Operations	162,162	121,557		
In Development/Construction	52,111	23,991		
Total Debt Financing	\$214,273	\$145,548		



# GAAP TO NON-GAAP RECONCILIATION

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Adjusted EBITDA:</b>				
Net income attributable to common shareholders	\$10,701	\$8,493	\$26,391	\$13,680
Impact of redeemable non-controlling interests	-	298	516	(673)
Plus: Income tax provision	3,351	3,881	1,879	4,296
Plus: Other expenses, net	3,244	1,668	10,754	5,232
Plus: Depreciation and amortization of intangible assets	7,523	6,563	22,043	18,835
Plus: Stock-based compensation	390	326	1,137	976
Plus: Restructuring and other charges	386	8	66	252
Plus: Non-Core Canada project loss	-	(413)	-	(413)
Adjusted EBITDA	<u>\$25,595</u>	<u>\$20,824</u>	<u>\$62,786</u>	<u>\$42,185</u>
Adjusted EBITDA margin	<u>12.5%</u>	<u>10.2%</u>	<u>11.0%</u>	<u>8.3%</u>
<b>Non-GAAP net income and EPS:</b>				
Net income attributable to common shareholders	\$10,701	\$8,493	\$26,391	\$13,680
Impact of redeemable non-controlling interests	-	298	516	(673)
Plus: Restructuring and other charges	386	8	66	252
Plus: Non-Core Canada project loss	-	(413)	-	(413)
Plus: Income Tax effect of non-GAAP adjustments	(101)	-	(101)	(44)
Non-GAAP net income	<u>\$10,986</u>	<u>\$8,386</u>	<u>\$26,872</u>	<u>\$12,802</u>
<b>Earnings per share:</b>				
Diluted net income per common share	\$0.23	\$0.19	\$0.57	\$0.30
Effect of adjustments to net income	-	(0.01)	0.01	(0.02)
Non-GAAP EPS	<u>\$0.23</u>	<u>\$0.18</u>	<u>\$0.58</u>	<u>\$0.28</u>
<b>Adjusted cash from operations:</b>				
Cash flows from operating activities	\$25,096	(\$39,013)	(\$32,041)	(\$90,432)
Plus: proceeds from Federal ESPC projects	43,906	48,304	113,570	122,340
Adjusted cash from operations	<u>\$69,002</u>	<u>\$9,291</u>	<u>\$81,529</u>	<u>\$31,908</u>

# PERFORMANCE BY SEGMENT

Performance by Segment (in thousands):				
	Three Months Ended		Nine Months Ended	
	Revenues	Adjusted EBITDA	Revenues	Adjusted EBITDA
<b>September 30, 2018</b>				
U.S. Regions	\$86,402	\$7,996	\$249,871	\$22,562
U.S. Federal	62,378	11,844	168,377	29,580
Canada	11,604	1,039	28,466	447
Non-Solar DG	22,138	10,022	60,176	26,195
All Other	22,878	2,326	62,368	4,919
Unallocated corporate activity	(25)	(7,632)	509	(20,917)
Total Consolidated	<u>\$205,375</u>	<u>\$25,595</u>	<u>\$569,767</u>	<u>\$62,786</u>
<b>September 30, 2017</b>				
U.S. Regions	\$82,633	\$8,160	\$191,956	\$11,363
U.S. Federal	63,873	9,673	170,903	25,901
Canada	14,719	1,206	33,211	2,427
Non-Solar DG	22,847	6,766	53,703	18,405
All Other	20,697	1,508	56,332	3,774
Unallocated corporate activity	(25)	(6,489)	(86)	(19,684)
Total Consolidated	<u>\$204,744</u>	<u>\$20,824</u>	<u>\$506,019</u>	<u>\$42,186</u>

Small Scale Infrastructure segment has been renamed Non-Solar Distributed Generation “DG”

Solar electricity and SREC revenue previously attributed to Small Scale Infrastructure has been reclassified into U.S. Regions

# SEGMENTS BY LINE OF BUSINESS – THREE MONTHS

Segment Revenues by Line of Business for the Three Months Ended September 30 (in thousands):

	U.S. Regions	U.S. Federal	Canada	Non-Solar DG	All Other	Total Consolidated
<b>2018</b>						
Project	\$77,345	\$49,762	\$9,207	\$1,268	\$4,074	\$141,656
Energy Assets	4,064	1,507	921	18,790	223	25,504
O&M	4,432	10,732	15	2,005		17,184
Integrated-PV					10,411	10,411
Other Services	561	377	1,462	74	8,145	10,619
Total Revenues	<u>\$86,402</u>	<u>\$62,378</u>	<u>\$11,604</u>	<u>\$22,138</u>	<u>\$22,853</u>	<u>\$205,375</u>
<b>2017</b>						
Project	\$73,066	\$53,818	\$11,959	\$9,180	\$2,745	\$150,768
Energy Assets	4,110	1,152	1,014	12,005	280	18,559
O&M	4,278	8,903	16	1,619		14,816
Integrated-PV					10,686	10,686
Other Services	1,179		1,730	44	6,961	9,914
Total Revenues	<u>\$82,633</u>	<u>\$63,873</u>	<u>\$14,719</u>	<u>\$22,847</u>	<u>\$20,672</u>	<u>\$204,744</u>

Small Scale Infrastructure segment has been renamed Non-Solar Distributed Generation “DG”

Solar electricity and SREC revenue previously attributed to Small Scale Infrastructure has been reclassified into U.S. Regions

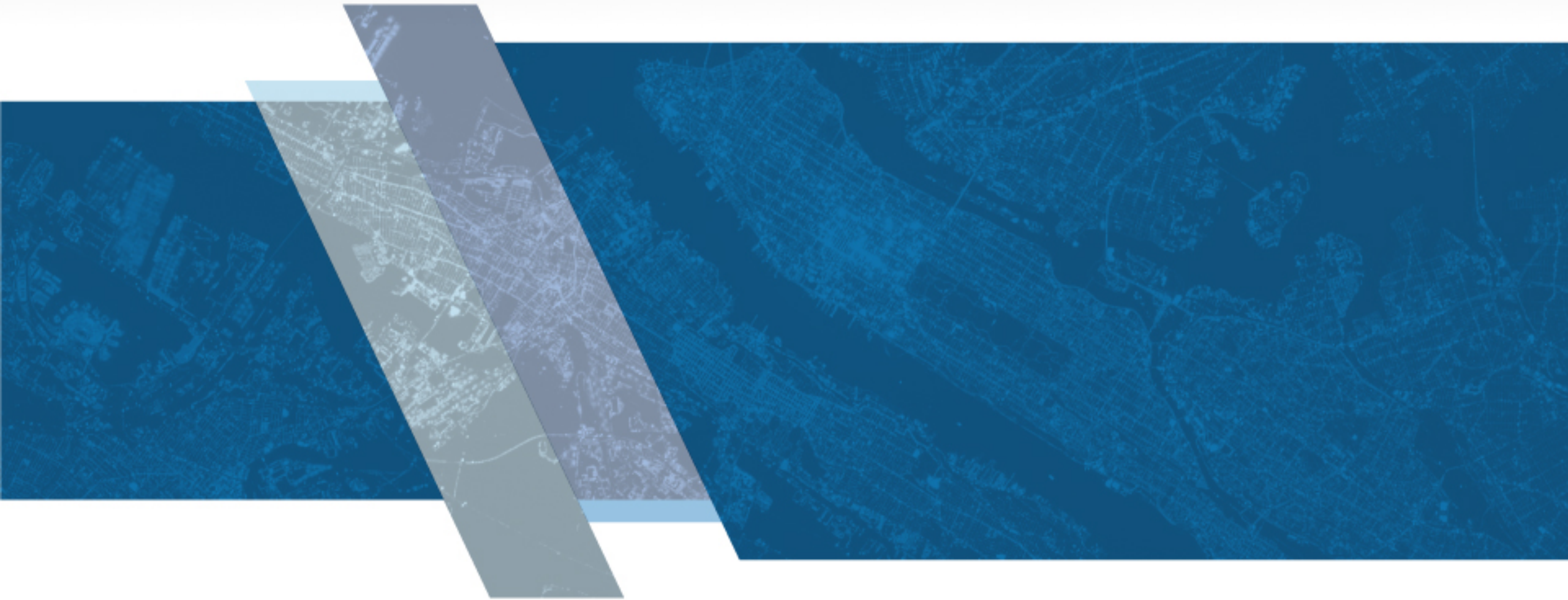
# SEGMENTS BY LINE OF BUSINESS – NINE MONTHS

Segment Revenues by Line of Business for the Nine Months Ended September 30 (in thousands):

	U.S. Regions	U.S. Federal	Canada	Non-Solar DG	All Other	Total Consolidated
<b>2018</b>						
Project	\$223,662	\$135,037	\$21,459	\$3,368	\$8,844	\$392,370
Energy Assets	12,844	3,416	2,304	50,405	821	69,790
O&M	12,396	29,477	34	6,260		48,166
Integrated-PV					31,184	31,184
Other Services	969	447	4,669	143	22,028	28,256
Total Revenues	<u>\$249,871</u>	<u>\$168,377</u>	<u>\$28,466</u>	<u>\$60,176</u>	<u>\$62,877</u>	<u>\$569,767</u>
<b>2017</b>						
Project	\$167,524	\$139,814	\$26,124	\$11,500	\$4,345	\$349,306
Energy Assets	8,873	2,688	2,316	37,177	845	51,898
O&M	12,841	27,814	16	4,705		45,376
Integrated-PV					29,187	29,187
Other Services	2,719	588	4,755	322	21,870	30,252
Total Revenues	<u>\$191,956</u>	<u>\$170,903</u>	<u>\$33,211</u>	<u>\$53,703</u>	<u>\$56,246</u>	<u>\$506,019</u>

Small Scale Infrastructure segment has been renamed Non-Solar Distributed Generation “DG”

Solar electricity and SREC revenue previously attributed to Small Scale Infrastructure has been reclassified into U.S. Regions



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