

# Investor Presentation

August 2021



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# Safe Harbor

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## **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, net income, adjusted EBITDA, Non-GAAP EPS, other financial guidance 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, 2020, filed with the U.S. Securities and Exchange Commission (SEC) on March 2, 2021. Currently, one of the most significant factors, however, is the potential adverse effect of the current COVID-19 (and its variants) pandemic 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 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.”

# About Ameresco

Ameresco (NYSE:AMRC) is a leading comprehensive cleantech integrator and renewable energy asset developer, owner and operator.

Founded in 2000 | Public in 2010



## Comprehensive Portfolio

Objective approach and in-house technical expertise delivers the most advanced technologies to meet the unique needs of each customer. Majority of projects are budget-neutral, funded by energy cost savings.

## Customer Driven

Federal & Municipal Governments, Commercial & Industrial, Higher Ed, K12, Public Housing, Healthcare, Airports. Market reputation across North America & Europe for excellence in customer satisfaction.



**\$10+ Billion** in energy solution projects, 280+ MWe of Owned Assets in Operation



**8,000+ Customers** benefitting from energy efficiency measures and renewable energy generation



**1,000+ Employees** throughout North America and the United Kingdom



Energy cost savings with comprehensive, audit- based improvements



**70+ Offices** providing local expertise in markets served



In 2020, our renewable energy assets and customer projects delivered a carbon offset equivalent to approx. **12.6M metric tons of CO<sub>2</sub>**



# Investment Highlights



## Earnings Growth

Growing earnings faster than revenue



## Multiyear Visibility

\$2.2B Project Backlog

\$1.1B O&M Backlog

\$1.0B Revenue from Energy Assets



## Recurring Business

A substantial and growing portion of our earnings comes from recurring lines of business



## ESG

Environmental, Social & Governance is core to our business model and corporate culture



# Ameresco's Diversified Approach



## Customer Segments

- › Federal Government
- › State & Municipal Government
- › K-12 Education
- › Colleges and Universities
- › Public Housing
- › Commercial & Industrial
- › Healthcare Facilities
- › Airports
- › Utilities



## Reducing Demand with Efficiency Measures

- › Central Plant Upgrades
- › Deep Energy Retrofits
- › Enterprise HVAC
- › Interior Lighting & Controls
- › LED Street & Area Lighting
- › Water Management and Efficiency
- › Chiller Efficiency Improvements
- › Cooling Systems Efficiencies
- › Water Heating Systems Efficiencies
- › Reduce Peak Power Demand
- › Energy Management Systems
- › Advanced Metering Infrastructure



## Financing Structures

- › Performance Contracting (ESPC, USPC)
- › Design, Build, Own, Operate, Maintain (DBOOM)
- › Power Purchase Agreements (PPA)
- › Design-Build
- › Engineer-Procure-Construct (EPC)
- › Energy Service Agreements (ESA)
- › Public-Private Partnership (P3)
- › Energy-as-a-Service (EaaS)



## Energy Supply with Distributed Energy Resources

- › Cogeneration / CHP
- › Solar Power (On- / Off-Grid)
- › Batteries Energy Storage
- › Microgrids
- › Wind Power
- › Geothermal
- › Waste-to-Energy Plants: Biomass, Biogas, Landfill Gas to Energy, Renewable Natural Gas (RNG)
- › Peaking Power Plant
- › Generators
- › Fuel Cell
- › Microturbines
- › Reciprocating Engines
- › Combustion Turbines
- › Gas Turbines
- › Steam Turbines

# Lines of Business



## Smart Energy Solutions

- Implement comprehensive **energy efficiency** solutions and **infrastructure upgrades**
- Design, build and construct **distributed energy** resources, **microgrids**, battery storage, and **energy savings** projects



## Operations & Maintenance

- A critical **capability and differentiator**
- Deliver on-site **technical expertise**
- **Fully maintained** and **routinely optimized** turnkey energy systems
- Strong source of **recurring revenue**



## Ameresco Assets

- **315 MWe of company-owned** renewable energy projects spanning solar, landfill gas, RNG, and battery storage
- Over \$500M in **renewable power** projects
- **A substantial and growing portion of our earnings comes from recurring lines of business**

Cost Savings | Resiliency | Sustainability | Security

# Case Studies

## Smart Energy Solutions

### US MCRD Parris Island, SC



Energy infrastructure upgrades deliver 75% reduction in utility energy demand & 25% total water reduction; includes 10 MW of onsite Electric Generation and Battery Storage System of 4 MW/8.1 MWh

## O&M

### DOE's Savannah River Site, SC



The largest renewable energy efficiency project in federal government's history delivers \$36.2M in annual energy savings. O&M services for all aspects of the 20 MW biomass cogeneration facility and related equipment for the 20 year contract term.

## Assets

### Phoenix Wastewater Treatment Plant, AZ



Designed, built, owned, operated and maintained by Ameresco, this facility is the largest wastewater treatment biogas-to-RNG facility of its kind in the US. It is capable of processing RNG at 3,250 standard cubic feet per minute.

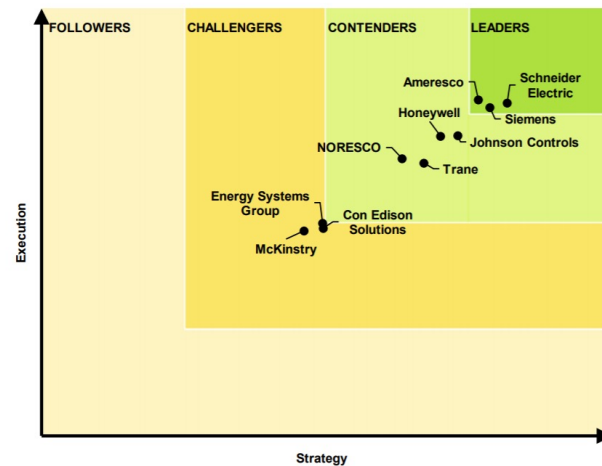


# Competitive Landscape

## ESCO Market

Ameresco acclaimed an **ESCO Leader** by *Guidehouse Insights* in 2020 Energy Service Companies Leaderboard Report and #1 in execution among competitors.

Chart 3-1. The Guidehouse Insights Leaderboard Grid



(Source: Guidehouse Insights)

## DER Market

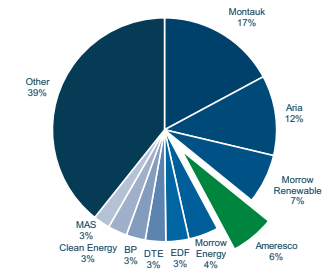
*Frost & Sullivan* names Ameresco **Global Best Practices DER Company of the Year for 2020** – attributing excellence in thought leadership, innovation, growth strategy and implementation.



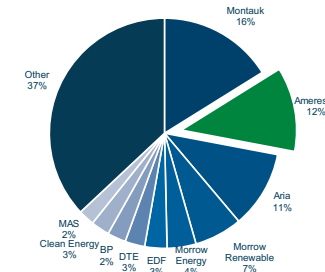
## RNG Market

Ameresco ranked #4 and expected to raise to #2 of **RNG market landscape** by 2023 – notably the only organic developer among top competitors.

2021  
#4

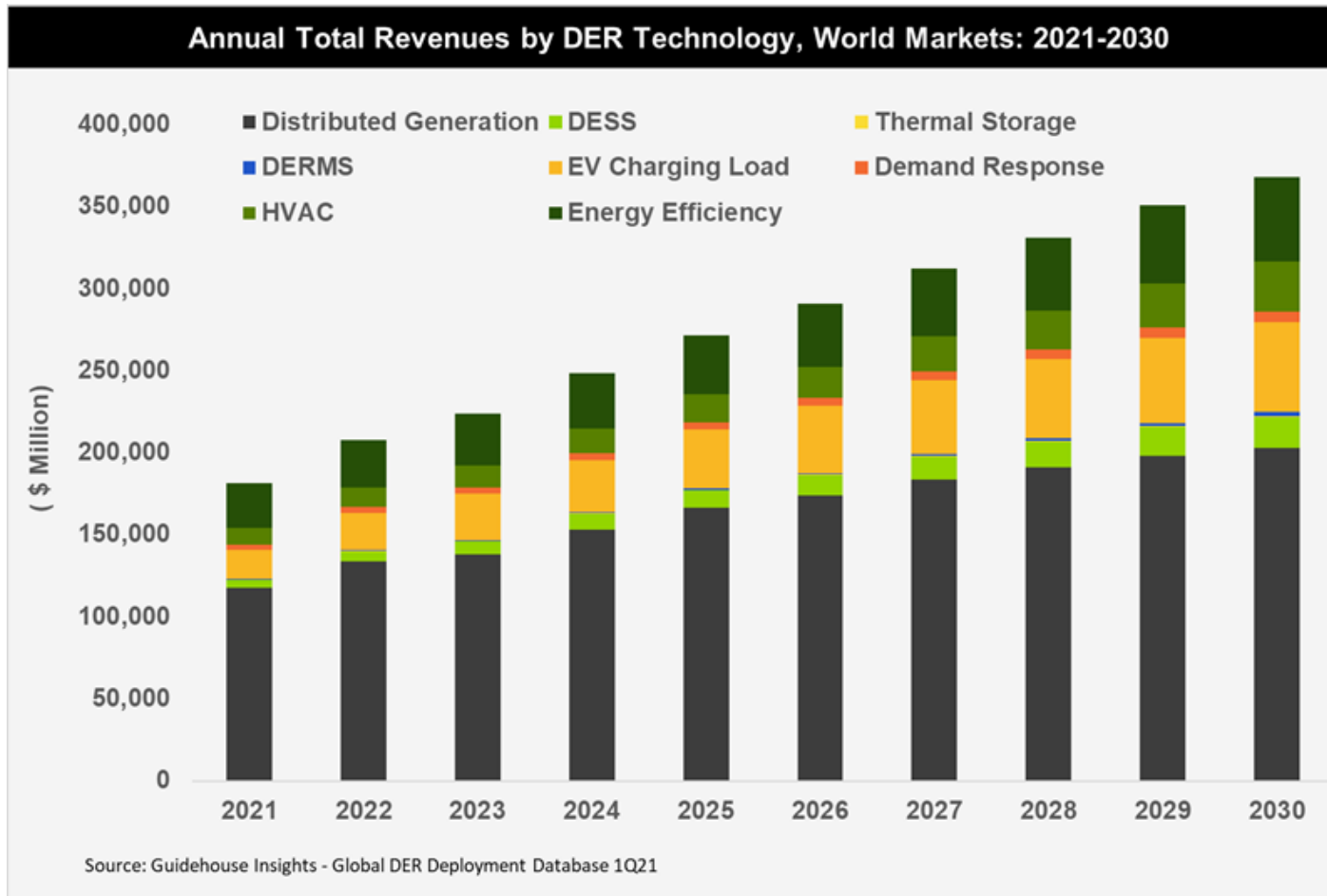


2023  
#2



Source: Data from Argonne National Laboratory Database of U.S. RNG Projects (March 2020)

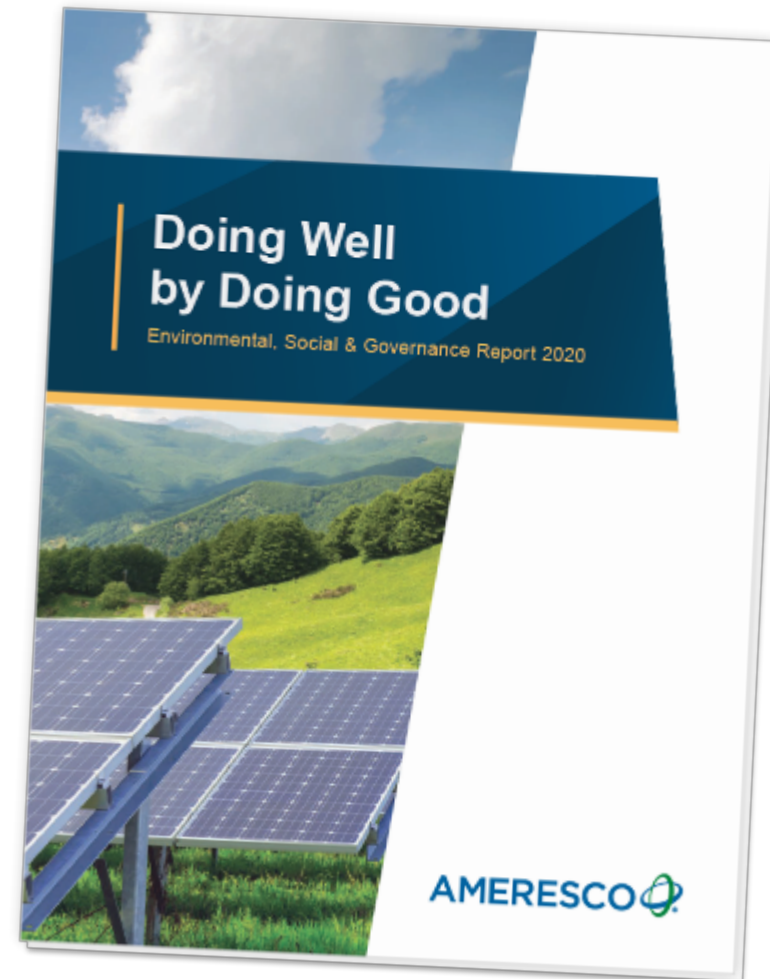
# Expanding Our Addressable Markets



- Energy efficiency at ~\$30B (2021) and growing steadily
- Distributed generation and storage (includes microgrids) add another ~\$122B (2021)
- Growth to \$367B global market size by 2030

# ESG is in our DNA

- Twenty years of **Environmental, Social, Governance (ESG)** achievements and continued goals for the future
- Theme of “**Doing Well by Doing Good**”
  - Reflection of Ameresco’s mission of delivering energy efficient and renewable solutions that enable a low carbon future
- Access the full report on our website at: [www.ameresco.com/esg](http://www.ameresco.com/esg)



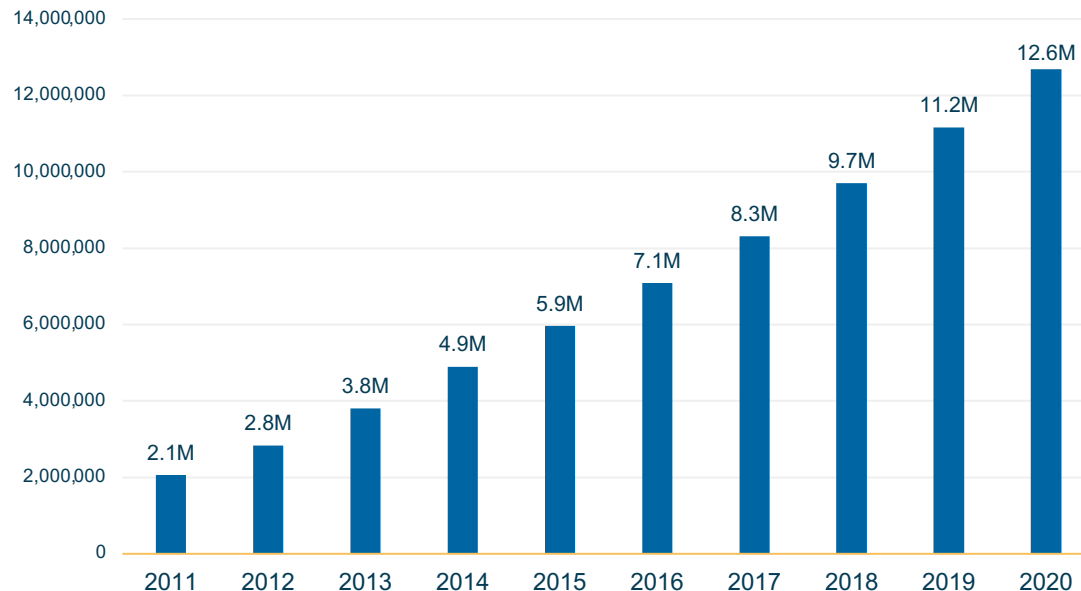


# Enabling a Low Carbon Future

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

**60+ Million** Metric Tons of CO<sub>2</sub>

Aggregate Metric Tons of CO<sub>2</sub> Avoided Per Year



Ameresco's 2020 Carbon Offset of approximately **12.6M Metric Tons of CO<sub>2</sub>** is equal to one of...



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

or



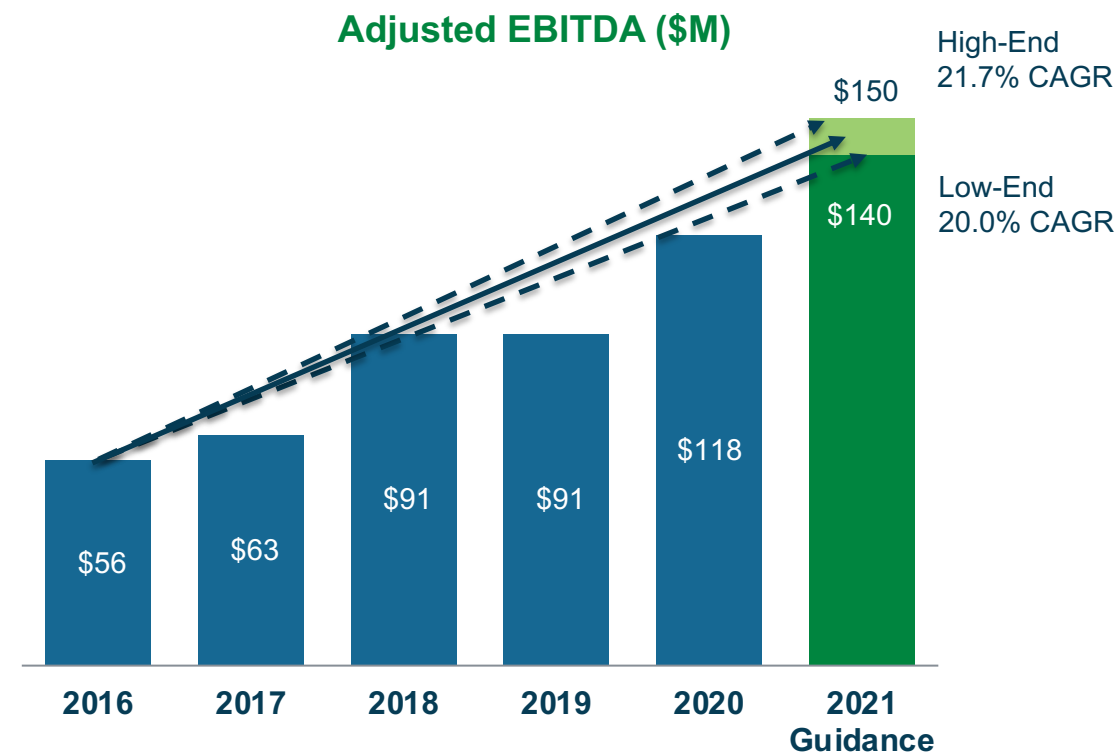
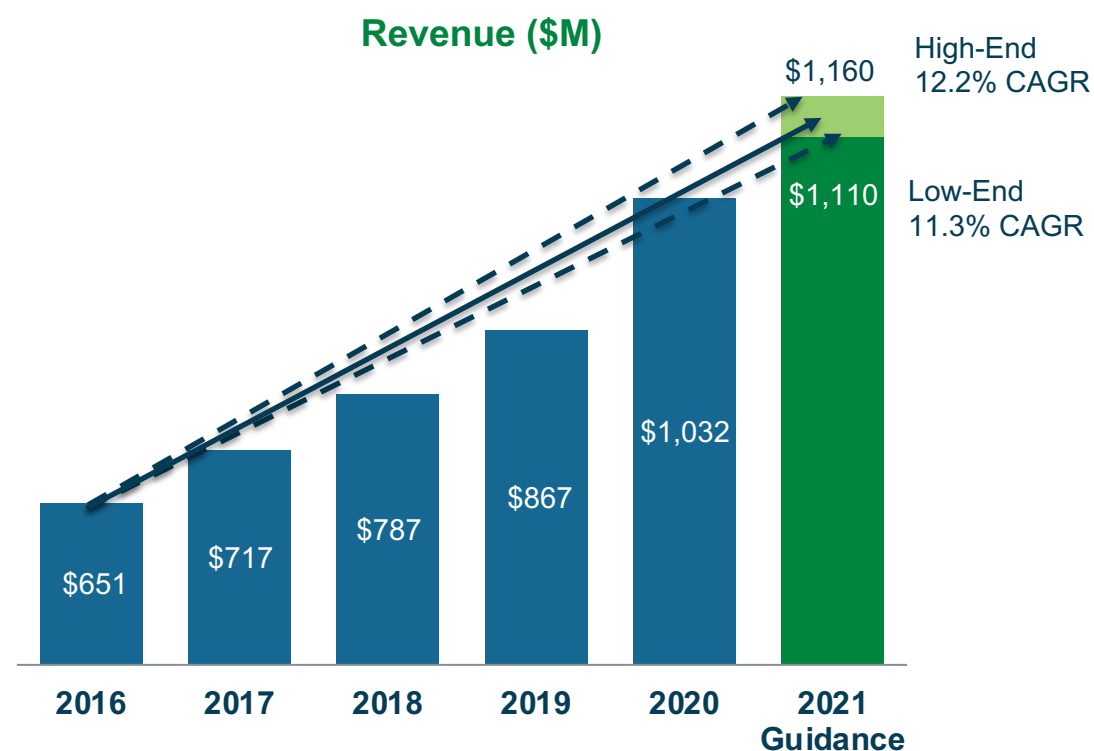
Carbon sequestered by... **16.5 million acres of U.S. forests in one year**

# Financial Profile



# Sustainable & Profitable Business Model

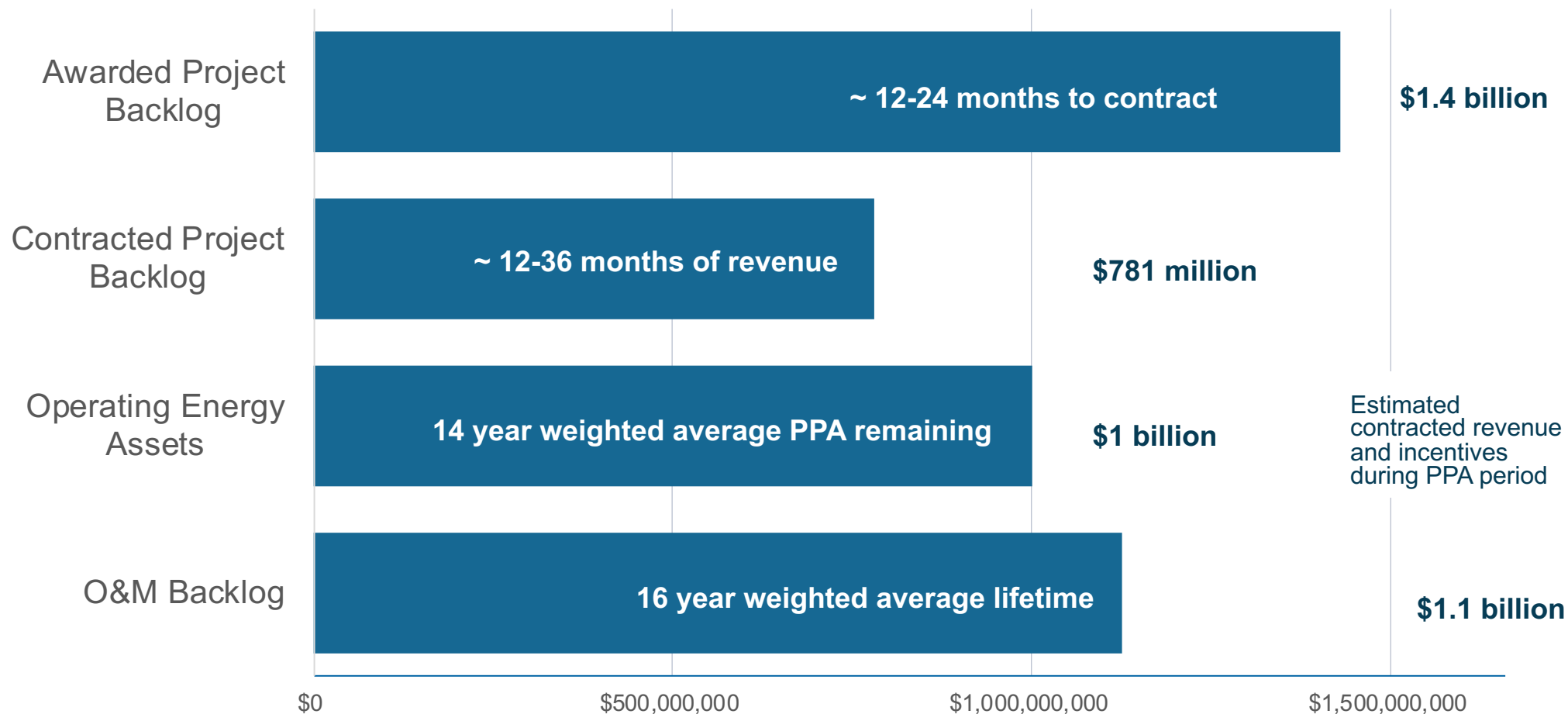
*Expanding Earnings at a Faster Rate than Revenue by Growing Higher Margin Recurring Lines of Business*



FY 2021 guidance, as revised May 4, 2021 and reaffirmed August 2, 2021.



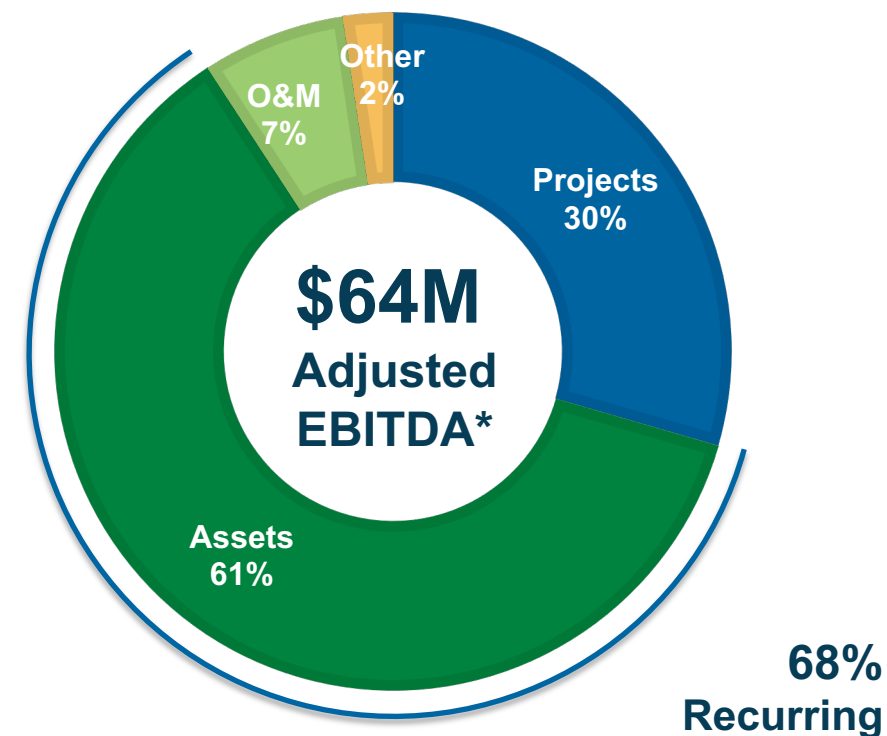
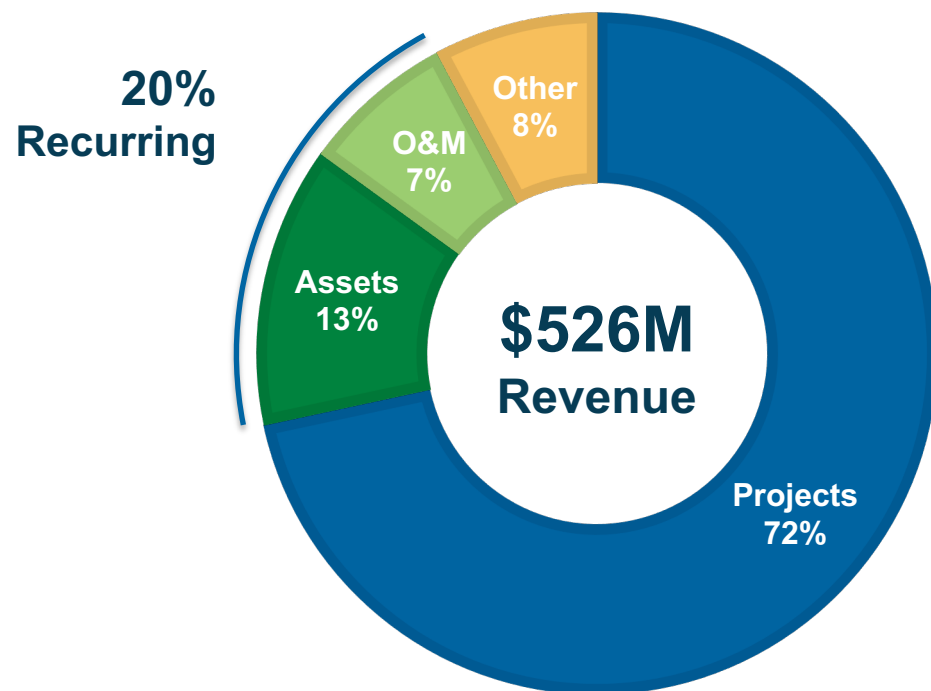
# Tremendous Forward Visibility: Backlog & Recurring Revenue Business



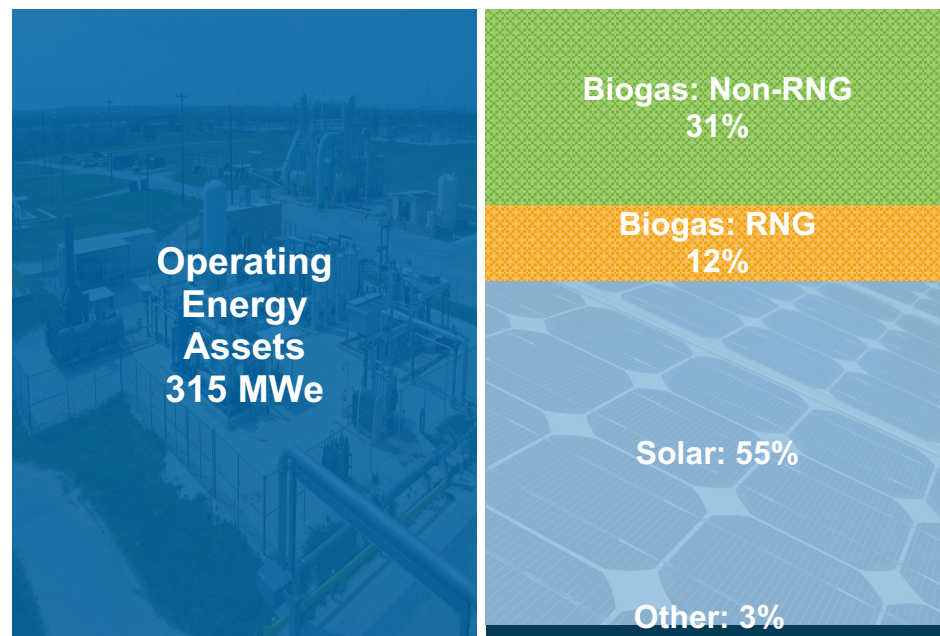
# 68% of EBITDA Came From Recurring Lines of Business

Year-to-Date 2021

\* Adjusted EBITDA percentages allocate corporate expenses according to revenue share

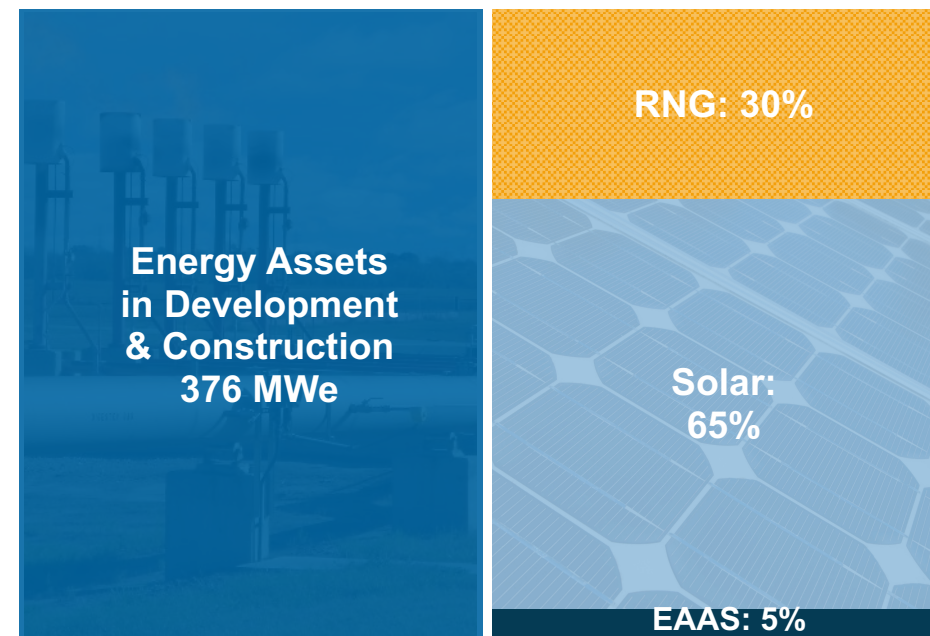


# Energy Asset Portfolio – 6/30/2021



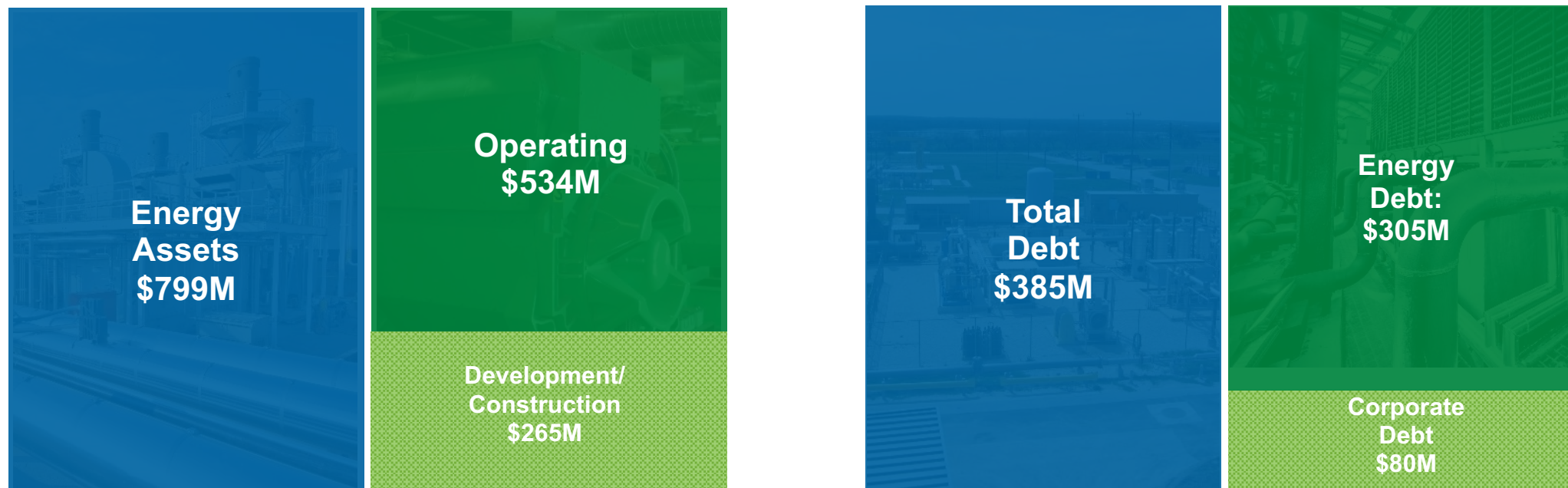
315 MWe of Energy Assets.  
97 MWe of non-RNG biogas, 38 MWe of RNG,  
Solar is 172 MW, Other is 8 MW\*

\* Numbers may not sum due to rounding



376 MWe in development & construction.  
Renewable Gas is 113 MWe, Solar is 243 MW,  
Energy as a Service is 20 MW\*

# Energy Asset Balance Sheet – 6/30/2021



\$265M of the \$799M energy assets on our balance sheet are still in development or construction.

\$305M of the \$385M\* of total debt on our balance sheet is debt associated with our energy assets. All of the energy debt is **non-recourse** to Ameresco, Inc.

\* Net of unamortized debt discount and debt issuance costs of \$0.5M on corporate debt and \$9.6M on Energy Debt



# Why Ameresco?



## Innovative

- Ameresco (NYSE:AMRC) is a leading cleantech integrator and renewable energy asset developer, owner and operator
- Full-service energy solutions provider: design, development, financing & construction
- Expertise and approach delivers customized solutions for large and small projects



## Experts

- Track record of successful execution and implementation
- Long-standing and repeat customers
- Proven energy savings and results
- Market-leading technical ability to integrate multiple technologies and solutions into a single comprehensive customer project



## Independent

- Objective approach ensures the most suitable solutions for each customer
- Leveraging the most advanced technologies available across all brands to meet the unique needs of each customer



# Thank You

to Our Customers, Employees, and Shareholders

# Leveraging Top Advanced Technology

## BATTERY STORAGE



## SOLAR MODULES



## GAS TURBINES



## MICROGRID CONTROL SYSTEMS



## LED LIGHTING



## WATER CONSERVATION

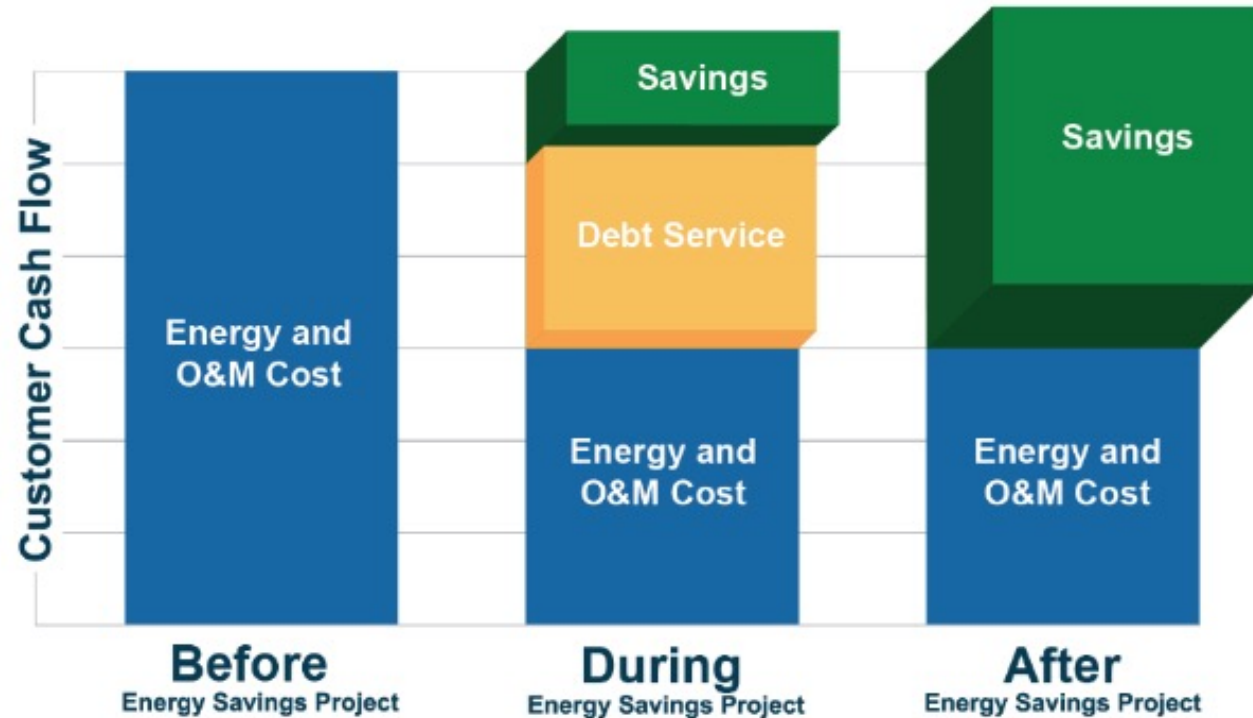


## HVAC





# Building Value with Smart Energy Solutions



*Illustration only. % of savings varies from project-to-project*

## *Performance Contracting: A Budget-Neutral Solution*

**Ameresco's Smart Energy Solutions reduce energy consumption and costs with capital projects and operational modifications**

- Budget-neutral solutions place energy-efficient upgrades within financial reach

**Energy Savings Performance Contracts (ESPC) allow customers to renew facilities without capital expenditures**

- Guaranteed performance and cost savings
- Upgrades funded by cost savings



# 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 and asset impairment charges. 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, impact from redeemable non-controlling interests, restructuring and asset impairment charges. 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 and asset impairment charges and impact from redeemable non-controlling 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 June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Adjusted EBITDA:</b>				
Net income attributable to common shareholders	\$ 13,655	\$ 4,365	\$ 24,829	\$ 10,566
Impact from redeemable non-controlling interests	4,231	4,471	5,488	4,906
Plus (Less): Income tax provision (benefit)	(1,896)	-	309	(2,503)
Plus: Other expenses, net	5,450	4,052	9,122	9,441
Plus: Depreciation and amortization	11,335	10,653	21,934	20,964
Plus: Stock-based compensation	1,349	430	2,115	859
Plus: Restructuring and other charges	234	174	282	1,150
Adjusted EBITDA	<u>\$ 34,358</u>	<u>\$ 24,145</u>	<u>\$ 64,079</u>	<u>\$ 45,383</u>
Adjusted EBITDA margin	<u>12.5%</u>	<u>10.8%</u>	<u>12.2%</u>	<u>10.4%</u>
<b>Non-GAAP net income and EPS:</b>				
Net income attributable to common shareholders	\$ 13,655	\$ 4,365	\$ 24,829	\$ 10,566
Adjustment for accretion of tax equity financing fees	(30)	-	(61)	-
Impact of redeemable non-controlling interests	4,231	4,471	5,488	4,906
Plus: Restructuring and other charges	234	174	282	1,150
Income Tax effect of non-GAAP adjustments	(61)	-	(73)	(212)
Non-GAAP net income	<u>\$ 18,029</u>	<u>\$ 9,010</u>	<u>\$ 30,465</u>	<u>\$ 16,410</u>
<b>Earnings per share:</b>				
Diluted net income per common share	\$ 0.26	\$ 0.09	\$ 0.48	\$ 0.22
Effect of adjustments to net income	0.08	0.10	0.11	0.12
Non-GAAP EPS	<u>\$ 0.34</u>	<u>\$ 0.19</u>	<u>\$ 0.59</u>	<u>\$ 0.34</u>
<b>Adjusted cash from operations</b>				
Cash flows from operating activities	\$ (57,759)	\$ (21,954)	\$ (96,483)	\$ (73,594)
Plus: proceeds from Federal ESPC projects	36,639	72,400	70,159	133,598
Adjusted cash from operations	<u>\$ (21,120)</u>	<u>\$ 50,446</u>	<u>\$ (26,324)</u>	<u>\$ 60,004</u>

# GAAP to Non-GAAP Reconciliation (continued)

\$000 USD	Six Months Ended June 30, 2021				
	Projects	Operating Assets	O&M	Other	Consolidated
<b>Adjusted EBITDA by Line of Business:</b>					
Net income attributable to common shareholders	\$ 14,471	\$ 6,737	\$ 3,208	\$ 413	\$ 24,829
Impact from redeemable non-controlling interests	-	5,488	-	-	5,488
Plus: Income tax Provision	(134)	(86)	138	391	309
Plus: Other expenses, net	1,378	7,521	30	193	9,122
Plus: Depreciation and amortization	1,200	19,116	922	696	21,934
Plus: Stock-based compensation	1,515	282	153	165	2,115
Plus: Restructuring and other charges	153	30	34	65	282
Adjusted EBITDA	<u>\$ 18,583</u>	<u>\$ 39,088</u>	<u>\$ 4,485</u>	<u>\$ 1,923</u>	<u>\$ 64,079</u>
Adjusted EBITDA margin	<u>4.9%</u>	<u>55.7%</u>	<u>11.8%</u>	<u>4.7%</u>	<u>12.2%</u>

\* Adjusted EBITDA by Line of Business includes corporate expenses allocated according to revenue share