

Leila Dillon - SVP Marketing & Communications

Thank you, _____, and good afternoon, everyone. We appreciate you joining us for today's call. Joining me here are George Sakellaris, Ameresco's Chairman, President, and Chief Executive Officer; Doran Hole, Executive Vice President and Chief Financial Officer; Nicole Bulgarino, Executive Vice President and General Manager, Federal and Utility Solutions; Mike Bakas, Executive Vice President, Renewable Natural Gas, and Mark Chiplock, Senior Vice President and Chief Accounting Officer. 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 to these measures in our supplemental information.

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

George Sakellaris – CEO

Thank you, Leila, and good afternoon, everyone.

Before I get started on the Q2 results, I would like to address the statement captured in our earnings release. Doran Hole has resigned as CFO to pursue other opportunities. We greatly appreciate Doran's contributions over the last 5 years and wish him the best in his future endeavors. Doran will continue to serve as CFO until August 30th, at

which time Mark Chiplock will be promoted to CFO. Mark has been with Ameresco for over 10 years and has served in multiple roles with increasing responsibility. I am thrilled to have Mark step into this role as a seasoned Ameresco leader. In addition, Josh Baribeau will assume an expanded role as the SVP Finance. I believe our deep bench of seasoned executives will skillfully navigate this transition.

Our momentum continued into the second quarter as the Ameresco team again delivered strong revenue growth across all four of our business lines, led by an impressive 45% growth in Projects revenue. At the same time, we continued to build on our excellent long-term visibility, increasing Total Project Backlog by 36% YOY to a record \$4.4 billion, while also bringing a record 155 MW of Energy Assets into operation and, we still have 635 MW of Assets in Development.

Demand for our renewable, energy efficiency and resiliency offerings continues to be very strong as our customers seek clean technology

solutions that yield both cost savings and increased reliability.

Ameresco's technology-agnostic platform and depth of engineering expertise allow us to stay at the forefront of the energy transition.

While our market environment continues to be very strong, we do understand that there is a lot of uncertainty around the upcoming elections. Ameresco was established almost 25 years ago and has not only grown, but THRIVED, under a variety of administrations. The foundation of our business is helping customers, including the government, achieve cost savings and improve their energy infrastructure in a capital efficient manner. I've asked two key members of our executive team, Nicole Bulgarino and Mike Bakas to join us to discuss their businesses.

Nicole?

Nicole Bulgarino - EVP and GM, Federal and Utility Solutions

Thank you George and good afternoon everyone.

As George just mentioned, we are excited for the outlook of both our Federal and Utility businesses as we expect continued demand for resilient clean energy projects for many years to come. Over the last two decades, while we have seen policy and messaging shift from one administration to another, the key drivers for our business have remained consistent. Our government agency and military customers continue to be focused on mission critical projects that deliver secure and resilient power to support their bases, ports, facilities, office buildings and military housing communities. We are uniquely positioned to help our customers achieve these objectives by reducing load through the latest energy efficiency upgrades and by deploying distributed generation solutions.

Across multiple administrations we have delivered large, highly successful comprehensive energy solutions for the DoD and other government agencies. We have a very strong pipeline of additional projects and assets, integrating domestically-sourced solutions using third party financing.

For our utility business, our customers are focused on providing cost-effective reliable electricity while also transitioning to clean energy. In addition, they need to increase capacity to address the load growth driven by electrification and data center development. More recently, utility customers have been utilizing battery energy storage solutions for resiliency and grid stability - providing critical power during peak demand periods and allowing the grid to better handle an increased amount of intermittent renewable energy.

We are also experiencing rapid growth of our Utility business as seen by the meaningful increase in the number of significant announcements

made in just the last few years. The battery storage systems we recently celebrated with the United Power team in Colorado last week, are a perfect example of this work. As is the large Kupono solar and battery storage system we brought online in June, which is a great example of an integrated solution serving both our federal and our utility customers at the same time!

As you can hear, our strong reputation for technology expertise and execution places us in a prime position to capitalize on the expanding opportunities in both the Federal and Utility markets. Our projects save money, enhance efficiency, provide clean resilient, reliable power, while creating jobs and supporting local and national policies. This great value proposition is in high demand regardless of changes in Washington.

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

Mike Bakas – EVP RNG

Thank you, Nicole.

Ameresco has been developing Biofuel projects since our founding, and I can honestly say that I have never been as excited as I am now about its prospects.

For a number of years, RNG's primary market has been the transportation sector leveraging the RFS program. But as global markets have continued to focus on sustainability, primarily in the electric side of the carbon footprint equation, we are seeing many industries turning their attention to the thermal side.

This is a market with huge potential, with natural gas utility consumption over 440 times the volumes used in the transportation sector. And for Ameresco, it is a perfect opportunity, as it involves longer term profitable offtake contracts while reducing our exposure to RINs. Gas utility RFPs for RNG supply agreements have picked up noticeably, as these parties seek to meet their carbon reduction goals. In the end, RNG is the only immediately available, drop in green substitute for natural gas, requiring no changes to the utilities' existing infrastructure. This demand is not only driven by the Utilities themselves, but also by the states and their regulatory bodies as part of programs to reduce overall carbon impact.

In light of this, we are very excited to announce that Ameresco has been chosen by a large California-based natural gas utility to supply RNG to help meet its state mandated, locally sourced renewable content. If final approval is granted by the California Public Utility Commission, this would represent a meaningful portion of our RNG

volumes. In doing so, this fixed price contract would also help to balance our portfolio to reduce long-term exposure to RIN volatility, while benefiting from a 5-year profitable revenue stream. And this potential contract represents only one of many opportunities across the country to sell our RNG via longer term offtake agreements to non-transportation customers.

In summary, Ameresco's biofuels business is uniquely positioned to capitalize on this expansion of the addressable market with the entrance of very large industries such as natural gas utilities. Importantly, this asset class also continues to meet our return hurdles without reliance on any IRA related investment tax credits. We believe our RNG assets will continue to provide significant stable profitable growth for years to come.

I will now turn the call over to Doran to comment on our financial performance and outlook. Doran?

Doran Hole – CFO

Thank you, Mike, and good afternoon everyone.

Before I start, I'd like to just say a huge thanks to George and the entire Ameresco team for the amazing experience I have had here over the past 5 years. It's impossible to put into words how much I've learned from this management team and the board. I want to congratulate Mark and Josh on their new roles. It has been a real pleasure working with them and I feel very confident in their futures here at Ameresco – the company is in excellent hands.

Now, let's jump in to the numbers. For additional financial information, please refer to the press release and supplemental

information that was posted to our website after the market closed today.

Total revenues in the quarter grew 34% to \$438.0 million, with each of our four business lines experiencing revenue growth. Our Projects business revenue grew 45%, reflecting our focus on execution and conversion of our backlog. Energy Asset revenue grew 6.8%, largely due to the greater number of operating assets compared to last year, improved production, as well as higher RIN prices. We brought a record 155 MW of assets into operation in the second quarter and are well on our way to meeting our anticipated 200 MW target for the year. Our large and growing base of operating Energy Assets now stands at 661 MW, which should provide decades of profitable revenue to the company. Our O&M business had a very strong quarter with revenue growing 13.9%, as we continued to win more long-term O&M business, while revenue for our Other line of business grew 9.5% with strong performance from our consulting businesses.

Gross margin of approximately 15% dipped as we incurred additional costs of approximately \$6.6 million related to our SCE projects plus a mix of some other lower-margin projects. That said, our underlying gross margins, as well as the expected margins in our backlog, continued to match our historic ranges. In the second quarter, our revenue growth as well as cost savings and operating leverage drove Adjusted EBITDA growth of 21% to \$45.1 million.

As George noted, our business development activity on both the project and asset side was very healthy during the quarter. The Company's total Project Backlog was approximately \$4.4 billion, growing 36% year-on-year and 9% sequentially. This growth was led by our contracted backlog, which reached \$1.6 billion and grew 50% year-on-year and 12% sequentially.

Turning to our balance sheet and cash flows, we ended the quarter with approximately \$150 million in cash and corporate debt of approximately \$273 million. Our Debt to EBITDA leverage ratio under our Senior Secured Credit facility declined to 2.9X and remains below the covenant level of 3.5X. Our Energy Asset Debt Advance rate, remained at a conservative 73%. Importantly, we believe our access to energy asset capital is excellent with many financing options available, as demonstrated by us having secured approximately \$170M in new project-financing commitments in the quarter. We also believe our energy assets remain highly attractive to many financing parties interested in teaming with Ameresco given our proven capabilities. And, on the corporate side, at the end of the quarter, we were pleased to have successfully raised \$100 million in subordinated debt from Nuveen Energy Infrastructure Credit.

Our cash flow continued to be strong with positive adjusted cash flow from operations of approximately \$154 million during the quarter. Our

8 quarter rolling average, which best represents our implementation cycle, reached almost \$45.6 million. In our supplemental slides we highlight the increased momentum we have seen in the rolling cash flows, and we expect both cash flow metrics to continue to improve, especially as we bill and collect on the SoCalEd battery projects.

Speaking of SoCalEd, our performance testing has been approved and we are working together on the final checklist for substantial completion for two of the three projects. The third project, which was more significantly impacted by the 2023 rainfall, is still expected to reach substantial completion in September of this year.

Now let me spend a few minutes on our new 2024 guidance. We are increasing our revenue range based on the solid financial performance for the first half of the year and our strong visibility for the remainder of the year. Our new gross margin range reflects the expected full year impact of the cost budget revisions on the SCE projects of

approximately \$10 million. Our new guidance range would yield revenue and Adjusted EBITDA growth of 27% and 35%, respectively, at the midpoints. You can find more details on the revised 2024 guidance in our press release.

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

George Sakellaris – CEO

Thank you, Doran.

Ameresco thrives in an environment where customers seek clean energy solutions that result in cost savings and greater resiliency. We believe this environment and the demand for these solutions will continue regardless of the political environment in Washington. We are extremely well positioned with over \$8.3 billion in future revenue visibility and we are laser focused on executing our tremendous backlog

and cash flow generation. 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.