UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

# FORM 8-K

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): July 30, 2015**

# Ameresco, Inc.

(Exact Name of Registrant as Specified in Charter)

| **Delaware** | **001-34811** | **04-3512838** |
|---|---|---|
| (State or Other Jurisdiction of Incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

| **111 Speen Street, Suite 410, Framingham, MA** | **01701** |
|---|---|
| (Address of Principal Executive Offices) | (Zip Code) |

Registrant's telephone number, including area code: **(508) 661-2200**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02. Results of Operations and Financial Condition.**

On July 30, 2015, Ameresco, Inc. (the "Company") announced its financial results for the quarter ended June 30, 2015. The Company also posted prepared remarks with respect to its quarter ended June 30, 2015 results on the Investor Relations section of its website at www.ameresco.com. The full text of the press release and the prepared remarks issued in connection with the announcement are furnished as Exhibit 99.1 and Exhibit 99.2, respectively, to this Current Report on Form 8-K.

The information in this Form 8-K (including Exhibit 99.1 and Exhibit 99.2) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

The exhibits listed on the Exhibit Index immediately preceding such exhibits are furnished as part of this Current Report on Form 8-K.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

| | |
|---|---|
| | AMERESCO, INC. |
| Date: July 30, 2015 | By: /s/ John R. Granara, III |
| | John R. Granara, III |
| | Vice President and Chief Financial Officer |

EXHIBIT INDEX

| Exhibit No. | Description |
| --- | --- |
| 99.1 | Press Release issued by the Company on July 30, 2015 |
| 99.2 | Prepared Remarks dated as of July 30, 2015 |

Exhibit 99.1

**FOR IMMEDIATE RELEASE**

Contact: Media Relations CarolAnn Hibbard, 508.661.2264, news@ameresco.com
Investor Relations John Granara, 508.661.2215
Gary Dvorchak, CFA, The Blue Shirt Group, 323.240.5796, ir@ameresco.com

# Ameresco Reports Second Quarter 2015 Financial Results

- Revenues of $152.5 million, an increase of 7%
- Gross margin of 20.3%
- Operating income up 34%
- Adjusted EBITDA up 9%
- New awards of $189 million, up 66% to the highest level since Q3 2012

**FRAMINGHAM, MA** - July 30, 2015 - Ameresco, Inc. (NYSE:AMRC), a leading energy efficiency and renewable energy company, today announced financial results for the fiscal quarter ended June 30, 2015. The Company has also furnished prepared remarks in conjunction with this press release in a Current Report on Form 8-K. The prepared remarks contain supplemental information, including non-GAAP financial metrics, and have been posted to the "Investor Relations" section of the Company's website at www.ameresco.com.

"We continue to execute on our plan to accelerate revenue growth and improve profitability," said George P. Sakellaris, President and Chief Executive Officer of Ameresco. "Revenue exceeded our target range, gross margin exceeded our near term targets, and we generated $11 million of adjusted EBITDA. As important, we continued to build the foundation for future growth. New project awards were $189 million, up 66% from last year and 125% from the first quarter."

Sakellaris continued, "These outstanding results were due to solid execution in our core project business. Our U.S. Federal segment again led the way, with high growth and improving profit. The U.S. Regions segment was also a strong contributor. In addition, our recurring revenue streams performed well. Energy revenue from our operating assets rebounded to normal levels after a seasonally low first quarter, and operations and maintenance grew 6%. At the midpoint of 2015, we are hitting our targets and are optimistic about the quarters ahead."

Second Quarter 2015 Results

*Note: All figures refer to the second quarter of 2015 period unless stated otherwise. All comparisons are to the second quarter of 2014, unless stated otherwise.*

Revenues were $152.5 million, an increase of 7%. The Company continued to execute in its core project business, with revenue growth of 12.5% to $101.6 million. That growth was driven by solid performance in the U.S. Federal and U.S. Regions segments, which were up 17% and 19%, respectively. Recurring operations and maintenance ("O&M") and renewable energy revenue was approximately 20% of total revenue. O&M was up 6%, while energy revenue of $14.7 million rebounded from the seasonally low first quarter levels and was up slightly compared to last year.

Operating income was $5.1 million, an increase of 34%. Net income was $2.0 million, a decline of $0.7 million. Net earnings per diluted share were $0.04, compared to $0.06 in the prior-year period. Net income was lower despite the higher operating income due to a higher tax rate as a result of a valuation allowance for losses expected in Canada during 2015. The Company expects its full year 2015 tax rate to approximate 25%.

Adjusted EBITDA (a non-GAAP financial measure) was $11.3 million, an increase of 9%.

New Awards Strength Solidifies Visibility and Outlook

Ameresco secured $189.0 million in new project awards in the quarter, a 66% higher level of award wins than the year-ago rate and the highest quarterly amount since the third quarter of 2012. The Company converted $112.5 million of awards to contracted backlog, or approximately 13% of the starting award backlog. Contracted backlog grew 3% during the quarter to $398.3 million. Strength in award conversions was offset in part by the strength in revenue recognition, which reflects efficient execution by Ameresco's implementation teams.

Ameresco continues to focus on developing its portfolio of renewable energy assets, and had a backlog of assets in development of $152.4 million, up 64%. Total project assets as of June 30, 2015 were $223.8 million, up $9.7 million from the end of Q1 2015.

"Assets in development" represents the potential design/build project value of small-scale renewable energy plants that have been awarded or for which the Company has secured development rights.

FY 2015 Guidance Reaffirmed

Based on second quarter results and new contracts signed during the first half of the year, Ameresco reaffirms its full year 2015 outlook. The Company expects to generate revenue in the range of $610 million to $640 million, adjusted EBITDA in the range of $43 million to $48 million and net income per diluted share to be in the range of $0.16 to $0.24.

The guidance assumptions for the remainder of 2015 are as follows:

- Project revenues from contracted backlog of approximately $240 million;
- Project revenues from awarded projects and proposals in the range of $20 million to $40 million;
- Gross margin in the range of 19-20%;
- Operating expenses as a percentage of revenue of 16-17%;
- An effective income tax rate of 25% using the midpoint of our guidance range, which further assumes certain owned solar assets will be placed in service by the end of the year; and

- Weighted average common shares outstanding of 47 million.

**Second Quarter 2015 Results Conference Call and Webcast**

The Company will host a conference call today at 8:30 a.m. ET today to discuss results. Participants may access the earnings conference call by dialing +1 (877) 359-9508 or internationally +1 (224) 357-2393. The passcode is 78064085. Participants are advised to dial into the call at least ten minutes prior to register. A live, listen-only webcast of the conference call will also be available over the Internet. Individuals wishing to listen can access the call through the “Investor Relations” section of the Company’s website at www.ameresco.com. An archived webcast will be available on the Company’s website for one year.

In conjunction with the conference call, the Company will provide management’s prepared remarks in the “Investor Relations” section of the Company's website, as well as in a Current Report on Form 8-K filed with the SEC.

**Use of Non-GAAP Financial Measures**

This press release and the accompanying tables include references to adjusted EBITDA 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 following the accompanying tables titled “Exhibit A: 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 Other Non-GAAP Disclosures and Non-GAAP Financial Guidance in the accompanying tables.

**About Ameresco, Inc.**

Founded in 2000, Ameresco, Inc. (NYSE:AMRC) is a leading independent provider of comprehensive services, energy efficiency, infrastructure upgrades, asset sustainability and renewable energy solutions for businesses and organizations throughout North America and Europe. Ameresco’s sustainability services include upgrades to a facility’s energy infrastructure and the development, construction and operation of renewable energy plants. Ameresco has successfully completed energy saving, environmentally responsible projects with Federal, state and local governments, healthcare and educational institutions, housing authorities, and commercial and industrial customers. With its corporate headquarters in Framingham, MA, Ameresco has more than 1,000 employees providing local expertise in the United States, Canada, and the United Kingdom. For more information, visit www.ameresco.com.

**Safe Harbor Statement**

Any statements in this press release 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; 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; and other factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the U.S. Securities and Exchange Commission on March 6, 2015. In addition, the forward-looking statements included in this press release represent our views as of the date of this press release. 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 press release.

**AMERESCO, INC.**
**CONSOLIDATED BALANCE SHEETS**
**(in thousands, except share and per share amounts)**

| | June 30, 2015 | December 31, 2014 |
|---|---|---|
| | (Unaudited) | |
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 19,319 | $ 23,762 |
| Restricted cash | 13,555 | 12,818 |
| Accounts receivable, net | 68,605 | 71,661 |
| Accounts receivable retainage | 11,900 | 15,968 |
| Costs and estimated earnings in excess of billings | 68,905 | 66,325 |
| Inventory, net | 10,118 | 8,896 |
| Prepaid expenses and other current assets | 12,073 | 8,666 |
| Income tax receivable | 2,855 | 3,525 |
| Deferred income taxes | 5,363 | 5,440 |
| Project development costs | 14,416 | 9,674 |
| Total current assets | 227,109 | 226,735 |
| Federal ESPC receivable | 82,659 | 79,167 |
| Property and equipment, net | 6,361 | 7,372 |
| Project assets, net | 223,772 | 217,772 |
| Deferred financing fees, net | 4,922 | 4,313 |
| Goodwill | 59,883 | 60,479 |
| Intangible assets, net | 9,197 | 11,238 |
| Other assets | 23,194 | 22,583 |
| Total assets | $ 637,097 | $ 629,659 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Current liabilities: | | |
| Current portion of long-term debt and capital lease liabilities | $ 12,246 | $ 12,255 |
| Accounts payable | 79,275 | 87,787 |
| Accrued expenses and other current liabilities | 26,155 | 26,944 |
| Billings in excess of cost and estimated earnings | 23,930 | 18,291 |
| Income taxes payable | — | 812 |
| Total current liabilities | 141,606 | 146,089 |
| Long-term debt and capital lease liabilities, less current portion | 90,566 | 90,037 |
| Federal ESPC liabilities | 85,426 | 70,875 |
| Deferred income taxes | 5,277 | 7,210 |
| Deferred grant income | 8,567 | 8,842 |
| Other liabilities | 20,350 | 20,300 |
| Stockholders' equity: | | |
| Preferred stock, $0.0001 par value, 5,000,000 shares authorized, no shares issued and outstanding at June 30, 2015 and December 31, 2014 | — | — |
| Class A common stock, $0.0001 par value, 500,000,000 shares authorized, 28,516,092 shares issued and outstanding at June 30, 2015, 28,351,792 shares issued and outstanding at December 31, 2014 | 3 | 3 |
| Class B common stock, $0.0001 par value, 144,000,000 shares authorized, 18,000,000 shares issued and outstanding at June 30, 2015 and December 31, 2014 | 2 | 2 |
| Additional paid-in capital | 109,015 | 107,445 |
| Retained earnings | 179,280 | 181,477 |
| Accumulated other comprehensive loss, net | (2,995) | (2,620) |
| Non-controlling interest | — | (1) |
| Total stockholders' equity | 285,305 | 286,306 |
| Total liabilities and stockholders' equity | $ 637,097 | $ 629,659 |

**AMERESCO, INC.**
**CONSOLIDATED STATEMENTS OF INCOME (LOSS)**
**(in thousands, except share and per share amounts)**
**(Unaudited)**

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| Revenues | $ 152,489 | $ 142,558 | $ 267,922 | $ 243,289 |
| Cost of revenues | 121,593 | 114,622 | 217,383 | 197,799 |
| Gross profit | 30,896 | 27,936 | 50,539 | 45,490 |
| Selling, general and administrative expenses | 25,812 | 24,154 | 49,883 | 48,493 |
| Operating income (loss) | 5,084 | 3,782 | 656 | (3,003) |
| Other expenses, net | 1,347 | 796 | 4,009 | 2,528 |
| Income (loss) before provision (benefit) from income taxes | 3,737 | 2,986 | (3,353) | (5,531) |
| Income tax provision (benefit) | 1,746 | 267 | (1,156) | 31 |
| Net income (loss) | $ 1,991 | $ 2,719 | $ (2,197) | $ (5,562) |
| Net income (loss) per share attributable to common shareholders: | | | | |
| Basic | $ 0.04 | $ 0.06 | $ (0.05) | $ (0.12) |
| Diluted | $ 0.04 | $ 0.06 | $ (0.05) | $ (0.12) |
| Weighted average common shares outstanding: | | | | |
| Basic | 46,493,162 | 46,064,049 | 46,450,877 | 45,987,447 |
| Diluted | 47,034,083 | 46,573,691 | 46,450,877 | 45,987,447 |

| | | | | |
|---|---|---|---|---|
| OTHER NON-GAAP DISCLOSURES (Unaudited) | | | | |
| Adjusted EBITDA: | | | | |
| Operating income (loss) | $ 5,084 | $ 3,782 | $ 656 | $ (3,003) |
| Depreciation and amortization of intangible assets | 5,755 | 5,836 | 11,495 | 10,985 |
| Stock-based compensation | 453 | 707 | 971 | 1,425 |
| Adjusted EBITDA | $ 11,292 | $ 10,325 | $ 13,122 | $ 9,407 |
| Adjusted EBITDA margin | 7.4% | 7.2% | 4.9% | 3.9% |
| Adjusted cash from operations: | | | | |
| Cash flows from operating activities | $ (14,669) | $ 3,582 | $ (37,595) | $ 5,934 |
| Plus: proceeds from Federal ESPC projects | 22,855 | 10,454 | 40,870 | 13,976 |
| Adjusted cash from operations | $ 8,186 | $ 14,036 | $ 3,275 | $ 19,910 |

| | June 30, | |
|---|---|---|
| | 2015 | 2014 |
| Project backlog: | | |
| Awarded(1) | $ 944,500 | $ 924,700 |
| Fully-contracted | 398,300 | 399,400 |
| Total project backlog | $ 1,342,800 | $ 1,324,100 |
| Assets in development | $ 152,400 | $ 93,000 |

(1) Represents estimated future revenues from projects that have been awarded, though the contracts have not yet been signed.

**AMERESCO, INC.**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(in thousands)**
**(Unaudited)**

| | Six Months Ended June 30, 2015 | Six Months Ended June 30, 2014 |
|---|---|---|
| Cash flows from operating activities: | | |
| Net income (loss) | $ (2,197) | $ (5,562) |
| Adjustments to reconcile net loss to cash flows from operating activities: | | |
| Depreciation of project assets | 7,916 | 7,430 |
| Depreciation of property and equipment | 1,555 | 1,677 |
| Amortization of deferred financing fees | 562 | 570 |
| Amortization of intangible assets | 2,024 | 1,878 |
| Provision for bad debts | 83 | 266 |
| Unrealized gain on interest rate swaps | (184) | (1,197) |
| Stock-based compensation expense | 971 | 1,425 |
| Deferred income taxes | (2,006) | 4,363 |
| Changes in operating assets and liabilities: | | |
| Restricted cash | (694) | 624 |
| Accounts receivable | 2,426 | 10,885 |
| Accounts receivable retainage | 1,821 | 6,494 |
| Federal ESPC receivable | (29,625) | (18,541) |
| Inventory | (1,257) | 1,000 |
| Costs and estimated earnings in excess of billings | (2,787) | 15,157 |
| Prepaid expenses and other current assets | (3,056) | (2,538) |
| Project development costs | (3,630) | (1,664) |
| Other assets | (1,403) | (1,854) |
| Accounts payable, accrued expenses and other current liabilities | (13,372) | (6,898) |
| Billings in excess of cost and estimated earnings | 5,589 | (1,399) |
| Other liabilities | (219) | 1,082 |
| Income taxes payable | (112) | (7,264) |
| Cash flows from operating activities | (37,595) | 5,934 |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | (643) | (1,195) |
| Purchases of project assets | (13,640) | (10,970) |
| Grant awards received on project assets | — | 3,727 |
| Proceeds from sale of assets | 852 | — |
| Acquisitions, net of cash received | — | (4,850) |
| Cash flows from investing activities | (13,431) | (13,288) |
| Cash flows from financing activities: | | |
| Payments of financing fees | (1,202) | (354) |
| Proceeds from exercises of options | 605 | 887 |
| Proceeds from senior secured credit facility | 3,500 | — |
| Proceeds from Federal ESPC projects | 40,870 | 13,976 |
| Proceeds from sale-leaseback financing | 7,581 | — |
| Non-controlling interest | (116) | 3 |
| Restricted cash | (25) | 2,822 |
| Payments on long-term debt | (6,066) | (10,923) |
| Cash flows from financing activities | 45,147 | 6,411 |
| Effect of exchange rate changes on cash | 1,436 | 180 |
| Net decrease in cash and cash equivalents | (4,443) | (763) |
| Cash and cash equivalents, beginning of period | 23,762 | 17,171 |
| Cash and cash equivalents, end of period | $ 19,319 | $ 16,408 |

## Non-GAAP Financial Guidance

| Adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA): | | |
|---|---|---|
| (in thousands) | | |
| Year Ended December 31, 2015 | | |
| | Low | High |
| Operating income | $ 17,700 | $ 22,700 |
| Depreciation and amortization of intangible assets | 23,300 | 23,300 |
| Stock-based compensation | 2,000 | 2,000 |
| Adjusted EBITDA | $ 43,000 | $ 48,000 |
| Adjusted EBITDA margin | 7.0 % | 7.5 % |

## Exhibit A: 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 Other Non-GAAP Disclosure and Non-GAAP Financial Guidance in the tables above.

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 included above, and not to rely on any single financial measure to evaluate our business.

### Adjusted EBITDA

We define adjusted EBITDA as operating income before depreciation, amortization of intangible assets, impairment of goodwill and stock-based compensation expense. 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, goodwill impairment and stock-based compensation expense.

Our management uses adjusted EBITDA: as a measure of operating performance, because it does 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.

### 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.

Exhibit 99.2

July 30, 2015

# Second Quarter 2015 Earnings Conference Call
# Prepared Remarks

## About the Prepared Remarks

The following commentary is provided by management and should be read in conjunction with Ameresco's second quarter 2015 earnings press release. These remarks represent management's current views on the Company's financial and operational performance and outlook and are provided to give investors and analysts further insight into our performance in advance of the earnings call. With respect to the non-GAAP financial measures contained in these prepared remarks, a discussion of and a reconciliation between GAAP and non-GAAP results is provided at the end of these remarks.

## Second Quarter 2015 Results Conference Call and Webcast

The Company will host a conference call today at 8:30 a.m. ET to discuss these results. Interested parties may participate on the call by dialing +1 (877) 359-9508 (domestic U.S.) or +1 (224) 357-2393 (if calling from outside the U.S.), and reference passcode 78064085. Participants are advised to dial into the call at least ten minutes prior to the start time in order to register. A live but listen-only webcast of the conference call can be accessed through the "Investor Relations" section of the Company's website at www.ameresco.com. An archived webcast of the call will be available on the Company's website for one year.

## Safe Harbor Statement

Any statements in these prepared remarks or on the conference call 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; 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; and other factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the U.S. Securities and Exchange Commission on March 6, 2015. In addition, the forward-looking statements included in these prepared remarks represent our views as of the date of these prepared remarks. 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 these prepared remarks.

**Use of Non-GAAP Financial Measures**

These prepared remarks and the accompanying tables include references to adjusted EBITDA 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 them, please see the section at the end of these prepared remarks titled "Explanation of 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 section at the end of these prepared remarks titled "GAAP to Non-GAAP Reconciliation".

**Prepared Remarks**

**George Sakellaris - CEO**

Our solid Q2 results confirm to us that our recovery is on track, and that our plan to restore revenue growth and improve profitability is gaining traction. Top line growth of 7% exceeded our target range, and profitability was excellent, with adjusted EBITDA up 9% to over $11 million. Importantly, our core project business sustained its momentum, with revenue growth of 13% and gross margin expansion to over 20%. Our sales and development teams performed well, with new awards of $189 million hitting the highest quarterly level in almost three years. Revenue in our key segments of U.S. Federal and U.S. Regions posted robust growth of 17% and 19% respectively, and renewable energy revenue rebounded seasonally from Q1. Overall, we saw solid momentum that was impacted only by certain known issues in a couple of segments, which I will address later. First, I would like to discuss what we are doing proactively to drive our business.

The U.S. Federal segment was again a star performer, building on the solid growth it demonstrated in Q1. Revenue was up 17% as we performed work on an increasing portfolio of projects around the country. One good example is the project we recently completed at the Army's Adelphi Lab in Maryland, which we announced on June 4. That project included energy savings, water conservation, rainwater harvesting and 2 megawatts of roof-top and car port solar generating capacity. Since 2002, our multi-phase partnership with Adelphi has helped to reduce their energy consumption by nearly 50%, and provided more than 4 megawatts of on-site distributed generation.

This project shows the increasing leverage we get from follow-on work. The project was the third contract we fulfilled for the Adelphi Lab. Across our portfolio of clients, we focus on winning additional business after we demonstrate success and establish a relationship. Another example is phase-two work we recently started at the Department of Energy's Savannah River Site. As you may recall, we first implemented an ESPC-funded project at the site in 2009, building and operating a 20 MW biomass cogeneration facility. The follow-on work is for an additional steam plant that will produce more steam for power generation. This phase resulted in approximately $40 million of additional project revenue, and additional stable O&M revenue after project construction is complete.

In general the addressable market in Federal is getting larger and more attractive. Many agencies are bundling sites for which they are issuing RFPs, resulting in project opportunities that are now larger than what we used to see in the Federal sector. Activity within the Department of Defense is particularly robust. For example, the Army Corps of Engineers announced in May that Ameresco was included in a short list of companies that are eligible to pursue $1.5 billion of various ESPC projects at DoD facilities and bases. This opportunity is being driven by the Army's objective to reduce energy usage by 30% and water consumption by 15%. The General Services Administration and Department of Veterans Affairs are also active, with larger than average RFPs.

We were awarded $54 million of Federal project business this quarter, which drove 17% growth in U.S. Federal backlog. We now have over one half billion dollars of total backlog in the Federal sector alone.

U.S. Regions, our other key segment, also showed strong momentum this quarter. Revenue of $73 million was up 19%. Results were especially bright in the Central and Northwest regions, with revenue growth over 40% in each of those areas. We are growing more confident in the prospects for growth across the country. In a trend that is similar to what we are seeing in our Federal sector, projects are getting more numerous and larger, indicating good growth in our addressable market. For instance, in the Central and West regions we are now working on larger bundled solar programs. Rather than smaller one-off projects, we are winning multiple-site distributed generation assignments. These are typically higher dollar value to us, and are appearing in both commercial and public sector clients. In addition to the larger size of opportunities, U.S. Regions should benefit from the opening of a new geography. We established ourselves in the State of Georgia by closing a relatively large energy services contract. Georgia only recently allowed its agencies to use ESPC contracts to fund efficiency initiatives. We are also winning more business in California and Texas, which have not been strong markets for us in the past.

Looking internationally, our prospects are improving. As we reported last quarter, results in Canada were impacted due to a large project that incurred significant cost over-runs. We believe that situation is under control and have reserved for the anticipated losses. Our team in Canada reports that activity levels are picking up, so we think in 2016 we can resume growth. For instance, in Canada awarded backlog was up 26% sequentially.

Our current results were good, but we also excelled in building our pipeline for the future, not just in Canada but across the whole company. In particular, the performance of our sales and development teams was top-notch this quarter. New awards were $189 million, which is up 66% from last year and 125% sequentially. Our awarded backlog growth was particularly robust in our Federal and Southwest regions. We also shined in converting awards to contracts, with 13% of our starting award backlog becoming contracted in the quarter. Of course, this conversion rate varies from quarter to quarter, but was quite good this period. The strong performance by our sales and development teams was matched by our implementation crews. We recognized around 26% of our starting contracted backlog in the quarter, again a solid rate of completion.

Beyond our core project business, we delivered good results in our recurring revenue streams. Energy revenue and O&M are important elements of our recurring revenue. As we point out regularly, growing the recurring revenue is a strategic imperative for Ameresco. O&M grew a healthy 6%. It was a bit slower than our project revenue but in line with our expectations. Keep in mind: this is a very stable and higher margin revenue source. A great example of attractive O&M revenue is phase-two of Savannah River, which we mentioned earlier. The O&M revenue will start at about $3 million per year in 2016, and extend out for over 15 years.

We are proud of our performance this quarter, but there is always room to improve. Two business segments reported lower revenue, which diluted our overall growth but is not causing us excessive concern. I already mentioned Canada, where revenue was down 30% as we clean up some legacy issues and properly size that unit. Solar equipment sales were down 19%, due to the slowdown in oil exploration and production. Much of our off-grid solar PV sales go into well-site microgrid applications, and with the price of oil down, E&P capex has slowed. We can't really predict when oilfield activity will pick up, but we will manage this business cautiously until it does.

Let me now turn the call over to John to provide more details about our financial results and guidance. John?

**John Granara - CFO**

Thank you George, and good morning, everyone. As we get started, please note that unless otherwise stated, all the amounts I reference relate to Q2 2015 and the comparisons are for the year-over-year changes.

Also I want to alert you that in the prepared remarks file on our website, we now include tables showing revenue and adjusted EBITDA by segment. We have been asked for this in the past, and the revenue is disclosed in our SEC filings, so we thought you would find it helpful to be able to see the numbers as we review them now.

Starting with the P&L, total revenues of $152.5 million were up 7%. As George discussed, this quarter was characterized by strong performance in our core project business, recovery in energy revenue within our Small Scale Infrastructure segment, and stability in O&M. Those were partially offset by the issues George just mentioned in Canada and solar PV sales.

In our core business of projects, 13% revenue growth was driven by ongoing strength in U.S. Federal, which was up 17%, and strong performance in our Central and Northwest regions, each up over 40%. Our Eastern and Southwest regions were flat and down 7%, respectively. UK and other international contributed over $3 million, while Canada declined 30%, as anticipated.

Recurring operations and maintenance revenue of $15.1 million was up 6%. That revenue stream is generally quite stable and visible, due to the long-term nature of the contracts. As we disclosed last quarter, we have visibility on over $700 million of Federal O&M revenue extending out up to 18 years.

Energy revenue, which we report in our Small-Scale Infrastructure segment, comes from our landfill gas and solar projects. We sold $14.7 million worth of electricity in the quarter, a nice recovery of 19% from Q1, which is typically a seasonally low quarter.

Moving on to gross margin and operating expenses, gross margin for the second quarter was 20.3%.

SG&A expenses were $25.8 million, or 16.9% of revenue. We grew operating expense only 7.2% sequentially, despite a 32% sequential revenue increase. We expect further operating leverage as we grow our expected revenue in the second half of the year.

Operating income was $5.1 million, up 34%. Net income was $2.0 million, or 4 cents per diluted share. Net income declined when compared to last year due to taxes of $1.7 million, which were $1.5 million higher than last year. The tax rate was higher due to timing differences, and we still expect our full year rate to be 25%. There are two possible tax incentives related to US projects that we expect to come into play before year-end, which would offset the Canadian tax valuation allowance impact we discussed last quarter. Other expenses were also about $600 thousand higher, due mostly to higher net interest expense.

Adjusted EBITDA, a non-GAAP measure that we believe to be reflective of our economic performance, was $11.3 million, or 24 cents per diluted share. Adjusted EBITDA growth of 9.4% was greater than our revenue growth, reflecting our focus on improving profitability.

Now let's turn to the balance sheet. As you would expect, some of our key metrics are improving as we move through our normal seasonal pattern. Cash was up by $1.7 million from Q1, and DSO declined sequentially.

Consolidated debt was $99.2 million at June 30. Removing project debt, which is non-recourse to us, corporate debt was $25.6 million. This is a reasonable level of debt for us now, because it gives us borrowing power to fund the expansion of our operating asset portfolio. During the quarter we renewed and extended the maturity dates on our corporate revolving credit facility to 2020, and our term loan to 2018.

Looking at capex, we invested $7.8 million in renewable energy projects that we own and operate. For the remainder of the year, we expect capex of approximately $60 million primarily related to assets in development. Our total project assets are now $223.8 million.

Now let's look at backlog and visibility. We started the quarter with $387 million in fully contracted backlog, and ended the quarter with $398 million. Our teams did a great job in converting $113 million of awards into contracts, but our execution teams did nearly as well, recognizing $102 million. As George mentioned, we performed admirably in winning new awards, with $189 million of awards up 66%, driven by the Federal awards and energy asset wins.

I should also point out that the $398 million of contracted backlog is better than it appears, when compared to this time last year. Although it is flat versus last year, we absorbed a decline of $46 million, or 50%, in our Canadian contracted backlog. We expected this as we backfill the work in the "problem" project we referred to earlier. Excluding Canada, our contracted backlog is up 14% versus last year.

At this midpoint of the year, our solid performance gives us greater confidence in our full-year guidance for 2015. We continue to expect revenues to be in the range of $610 to $640 million. We continue to expect double digit revenue growth from both our U.S. Federal and U.S. Regions segments, partially offset by decreases in Canada and our off-grid solar businesses.

Near-term visibility continued to improve this quarter, too. For the remainder of 2015, we now believe $240 million will come from contracted backlog, which is an increase of $60 million during the quarter. We expect $20 to $40 million to come from awarded projects and pipeline. The remaining revenue would come from energy, O&M and other revenues.

We still anticipate gross margin at least between 19 and 20%, and operating expenses should be around 16% to 17% of revenue. We anticipate the effective tax rate for the full year to be around 25%. This all should lead to EPS in the range of 16 to 24 cents. Adjusted EBITDA is expected to be in the range of $43 to $48 million.

Now let's discuss our outlook for the third quarter. We expect revenues to be within a range of $165 to $185 million, and adjusted EBITDA in a range of $13 to $17 million. Net income and EPS are uncertain at this time, because we are not sure when we will complete the tax actions I discussed earlier. Those actions could occur either in Q3 or Q4, or partially in both. We do expect them to be completed this year, though. For the year, we still expect our tax rate to be 25%.

| Performance by Segment (in thousands): | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | Revenues | Adjusted EBITDA(1) | Revenues | Adjusted EBITDA(1) |
| **June 30, 2015** | | | | |
| U.S. Regions | $ 73,379 | $ 5,994 | $ 120,480 | $ 7,740 |
| U.S. Federal | 30,437 | 5,347 | 54,580 | 8,937 |
| Canada | 13,837 | (80) | 24,732 | (3,639) |
| Small-Scale Infrastructure | 14,516 | 7,332 | 27,378 | 12,653 |
| All Other | 20,320 | (1,309) | 40,752 | (1,493) |
| Unallocated corporate activity | — | (5,992) | — | (11,076) |
| Total Consolidated | $ 152,489 | $ 11,292 | $ 267,922 | $ 13,122 |
| **June 30, 2014** | | | | |
| U.S. Regions | $ 61,814 | $ 6,065 | $ 101,646 | $ 5,924 |
| U.S. Federal | 26,084 | 3,142 | 38,657 | 4,153 |
| Canada | 19,768 | (1,193) | 36,067 | (1,451) |
| Small-Scale Infrastructure | 14,206 | 7,176 | 25,355 | 11,713 |
| All Other | 20,686 | 762 | 41,564 | 1,576 |
| Unallocated corporate activity | — | (5,627) | — | (12,508) |
| Total Consolidated | $ 142,558 | $ 10,325 | $ 243,289 | $ 9,407 |

(1) See adjusted EBITDA definition and reconciliation below.

## GAAP to Non-GAAP Reconciliation

| Adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA") (in thousands): | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| Operating income | $ 5,084 | $ 3,782 | $ 656 | $ (3,003) |
| Depreciation and amortization of intangible assets | 5,755 | 5,836 | 11,495 | 10,985 |
| Stock-based compensation | 453 | 707 | 971 | 1,425 |
| Adjusted EBITDA | $ 11,292 | $ 10,325 | $ 13,122 | $ 9,407 |
| Adjusted EBITDA margin | 7.4% | 7.2% | 4.9% | 3.9% |

| Adjusted cash from operations (in thousands): | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| Cash flows from operating activities | $ (14,669) | $ 3,582 | $ (37,595) | $ 5,934 |
| Plus: proceeds from Federal ESPC projects | 22,855 | 10,454 | 40,870 | 13,976 |
| Adjusted cash from operations | $ 8,186 | $ 14,036 | $ 3,275 | $ 19,910 |

## Explanation of 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 GAAP to non-GAAP Reconciliation in the tables above.

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 included above, and not to rely on any single financial measure to evaluate our business.

***Adjusted EBITDA***

We define adjusted EBITDA as operating income before depreciation, amortization of intangible assets, impairment of goodwill and stock-based compensation expense. 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, impairment of goodwill and stock-based compensation expense.

Our management uses adjusted EBITDA: as a measure of operating performance, because it does 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.

***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.