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): November 5, 2015

Ameresco, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware	**001-34811**	**04-3512838**
(State or Other Juris-diction 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 November 5, 2015, Ameresco, Inc. (the “Company”) announced its financial results for the quarter ended September 30, 2015. The Company also posted prepared remarks with respect to its quarter ended September 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: November 5, 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 November 5, 2015
99.2	Prepared Remarks dated as of November 5, 2015

Exhibit 99.1

AMERESCO
Green • Clean • Sustainable

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 Third Quarter 2015 Financial Results

- Revenues of $189.1 million, an increase of 12%
- Gross margin of 19.2%
- Operating income up 5%
- Adjusted EBITDA of $16.1 million, up 1%
- New awards of $208 million, up 33%

FRAMINGHAM, MA - November 5, 2015 - Ameresco, Inc. (NYSE:AMRC), a leading energy efficiency and renewable energy company, today announced financial results for the fiscal quarter ended September 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.

“Our results reflect both strength in our core project business, and solid contributions from our higher margin recurring revenue streams,” said George P. Sakellaris, President and Chief Executive Officer of Ameresco. “Our Federal revenue grew 29%, U.S. Regions grew 33%, and both groups delivered solid profitability. We also improved our visibility on future growth. New awards were up 33% to $208 million.”

Sakellaris continued, “This accelerating rate of growth is being driven in part by larger project wins. During the quarter, we were awarded a housing-related project that is one of Ameresco’s largest awards in our corporate history. Our sales pipeline is quite robust, which leaves us optimistic that our growth can continue in 2016.”

Third Quarter 2015 Results

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

Revenues were $189.1 million, an increase of 12%. The Company continued to execute in its core project business, with revenue growth of 21% to $138.7 million. That growth was driven by solid performance in the U.S. Federal and U.S. Regions segments, which were up 29% and

33%, respectively. These increases were partially offset by the decreases in revenues from our Canadian and Integrated PV business units of 41% and 27%, respectively.

Operating income was $9.7 million, an increase of 5%. Net income was $4.2 million, a decline of $3.1 million. Net earnings per diluted share were $0.09, compared to $0.16 in the prior-year period. Prior year earnings included a tax benefit of $0.5 million or a tax rate of (8%), compared with 44% for the current quarter.

Adjusted EBITDA, a non-GAAP financial measure, was $16.1 million, up slightly compared to last year. Adjusted cash from operations, a non-GAAP financial measure, was $24.6 million versus $1 million in the prior year.

Ameresco secured $208 million in new project awards in the quarter, a 33% increase. Total backlog increased 3% to over $1.4 billion. Contracted backlog decreased 5% during the quarter to $379.3 million due to the 21% increase in project revenues which continues to reflect the strong execution by Ameresco's implementation teams.

Assets in development were up 68% compared with prior year and up 22% sequentially from prior quarter to $185.2 million.

FY 2015 Guidance

Based on year to date performance and expectations for the fourth quarter of 2015, Ameresco is narrowing its guidance for fiscal year 2015. The guidance reflects anticipated results before restructuring, asset impairment and other one-time charges the Company expects to incur in the fourth quarter.

Ameresco expects to generate revenue in the range of $625 million to $640 million, adjusted EBITDA in the range of $43 million to $46 million and net income per diluted share to be in the range of $0.16 to $0.20.

The guidance assumptions for the fourth quarter of 2015 are as follows:

- Gross margin of approximately 19%;
- An effective income tax rate of 25%, which further assumes certain tax legislation is passed by the end of the year; and
- Weighted average common shares outstanding of 47 million.

In the fourth quarter, the Company expects to incur both cash and non-cash charges in conjunction with the certain restructuring activities. The Company has not completed all of the restructuring activity, and cannot yet disclose a firm estimate of the likely charges. However, the Company does expect to incur employee termination costs of $1 million to $1.5 million, which would reduce net income per diluted share to $0.14 to $0.17.

Third 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 47644018. 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)

	September 30, 2015	December 31, 2014
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 21,256	$ 23,762
Restricted cash	15,306	12,818
Accounts receivable, net	75,649	71,661
Accounts receivable retainage	20,407	15,968
Costs and estimated earnings in excess of billings	76,650	66,325
Inventory, net	12,214	8,896
Prepaid expenses and other current assets	12,939	8,666
Income tax receivable	—	3,525
Deferred income taxes	6,069	5,440
Project development costs	15,781	9,674
Total current assets	256,271	226,735
Federal ESPC receivable	103,589	79,167
Property and equipment, net	5,947	7,372
Project assets, net	239,119	217,772
Deferred financing fees, net	5,323	4,313
Goodwill	59,371	60,479
Intangible assets, net	7,983	11,238
Other assets	17,178	22,583
Total assets	$ 694,781	$ 629,659
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt and capital lease liabilities	$ 12,391	$ 12,255
Accounts payable	112,384	87,787
Accrued expenses and other current liabilities	31,785	26,944
Billings in excess of cost and estimated earnings	25,492	18,291
Income taxes payable	920	812
Total current liabilities	182,972	146,089
Long-term debt and capital lease liabilities, less current portion	83,240	90,037
Federal ESPC liabilities	106,401	70,875
Deferred income taxes	4,524	7,210
Deferred grant income	8,429	8,842
Other liabilities	21,981	20,300
Stockholders' equity:		
Preferred stock, $0.0001 par value, 5,000,000 shares authorized, no shares issued and outstanding at September 30, 2015 and December 31, 2014	—	—
Class A common stock, $0.0001 par value, 500,000,000 shares authorized, 28,517,892 shares issued and outstanding at September 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 September 30, 2015 and December 31, 2014	2	2
Additional paid-in capital	109,417	107,445
Retained earnings	183,458	181,477
Accumulated other comprehensive loss, net	(5,646)	(2,620)
Non-controlling interest	—	(1)
Total stockholders' equity	287,234	286,306
Total liabilities and stockholders' equity	$ 694,781	$ 629,659

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Revenues	$ 189,142	$ 168,891	$ 457,064	$ 412,180
Cost of revenues	152,849	133,867	370,232	331,666
Gross profit	36,293	35,024	86,832	80,514
Selling, general and administrative expenses	26,623	25,800	76,506	74,293
Operating income	9,670	9,224	10,326	6,221
Other expenses, net	2,149	2,465	6,158	4,993
Income before provision (benefit) from income taxes	7,521	6,759	4,168	1,228
Income tax provision (benefit)	3,343	(532)	2,187	(501)
Net income	$ 4,178	$ 7,291	$ 1,981	$ 1,729
Net income per share attributable to common shareholders:				
Basic	$ 0.09	$ 0.16	$ 0.04	$ 0.04
Diluted	$ 0.09	$ 0.16	$ 0.04	$ 0.04
Weighted average common shares outstanding:				
Basic	46,517,638	46,315,968	46,473,375	46,098,158
Diluted	47,672,944	46,987,522	47,243,793	46,636,529

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

	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Cash flows from operating activities:		
Net income	$ 1,981	$ 1,729
Adjustments to reconcile net loss to cash flows from operating activities:		
Depreciation of project assets	12,115	11,162
Depreciation of property and equipment	2,349	2,495
Amortization of deferred financing fees	850	1,086
Amortization of intangible assets	3,041	3,266
Provision for bad debts	239	1,253
Unrealized gain on interest rate swaps	(277)	(983)
Stock-based compensation expense	1,367	2,108
Deferred income taxes	(2,920)	3,343
Excess tax benefits from stock-based compensation arrangements	—	(2,496)
Changes in operating assets and liabilities:		
Restricted cash	(2,216)	(182)
Accounts receivable	(5,258)	(11,282)
Accounts receivable retainage	(1,501)	6,392
Federal ESPC receivable	(50,555)	(33,388)
Inventory	(3,347)	1,172
Costs and estimated earnings in excess of billings	(10,792)	17,768
Prepaid expenses and other current assets	(4,039)	1,266
Project development costs	(4,999)	(812)
Other assets	(2,807)	(3,676)
Accounts payable, accrued expenses and other current liabilities	22,396	(3,754)
Billings in excess of cost and estimated earnings	7,329	1,403
Other liabilities	(573)	(5,815)
Income taxes payable	3,674	(4,148)
Cash flows from operating activities	(33,943)	(12,093)
Cash flows from investing activities:		
Purchases of property and equipment	(1,040)	(1,553)
Purchases of project assets	(29,932)	(16,530)
Grant awards received on project assets	—	3,727
Proceeds from sale of assets	852	—
Acquisitions, net of cash received	—	(13,903)
Cash flows from investing activities	(30,120)	(28,259)
Cash flows from financing activities:		
Excess tax benefits from stock-based compensation arrangements	—	2,496
Payments of financing fees	(1,894)	(368)
Proceeds from exercises of options	611	1,435
(Payments) proceeds from senior secured credit facility	(5,000)	20,000
Proceeds from long-term debt financing	4,584	—
Proceeds from Federal ESPC projects	61,846	32,886
Proceeds from sale-leaseback financing	7,581	—
Non-controlling interest	(116)	(7)
Restricted cash	(74)	2,758
Payments on long-term debt	(9,051)	(13,881)
Cash flows from financing activities	58,487	45,319
Effect of exchange rate changes on cash	3,070	1,348
Net (decrease) increase in cash and cash equivalents	(2,506)	6,315
Cash and cash equivalents, beginning of period	23,762	17,171
Cash and cash equivalents, end of period	$ 21,256	$ 23,486

Non-GAAP Financial Measures (in thousands) (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Adjusted EBITDA:				
Operating income	$ 9,670	$ 9,224	$ 10,326	$ 6,221
Depreciation and amortization of intangible assets	6,010	5,938	17,505	16,923
Stock-based compensation	396	683	1,367	2,108
Adjusted EBITDA	$ 16,076	$ 15,845	$ 29,198	$ 25,252
Adjusted EBITDA margin	8.5%	9.4%	6.4%	6.1%
Adjusted cash from operations:				
Cash flows from operating activities	$ 3,652	$ (18,027)	$ (33,943)	$ (12,093)
Plus: proceeds from Federal ESPC projects	20,976	18,910	61,846	32,886
Adjusted cash from operations	$ 24,628	$ 883	$ 27,903	$ 20,793

	September 30,	
	2015	2014
Project backlog:		
Awarded(1)	$ 1,032,600	$ 964,800
Fully-contracted	379,300	400,600
Total project backlog	$ 1,411,900	$ 1,365,400
Assets in development	$ 185,200	$ 110,500

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

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	$ 20,700
Depreciation and amortization of intangible assets	23,300	23,300
Stock-based compensation	2,000	2,000
Adjusted EBITDA	$ 43,000	$ 46,000
Adjusted EBITDA margin	6.9%	7.2%

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

AMERESCO
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November 5, 2015

Third 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 third 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.

Third 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 47644018. 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

As has been the case all year, and as we had expected, our results are being driven by resurgent strength in our U.S. Regions and Federal business segments. Our U.S. Regions segment grew its revenue 33%, a faster rate than both Q1 and Q2. The Federal segment also continued its now two-year run of exceptional revenue growth, by increasing 29% this quarter. Those solid performances offset our weaker business units, including Canada and Integrated-PV, resulting in 20% project and 12% total revenue growth.

We also sustained solid profitability. Adjusted EBITDA was $16.1 million, up 42% sequentially. In addition, we had strong cash flow this quarter generating $24.6 million from operations which is up substantially compared to last year.

Equally important, our sales performance was outstanding, which enabled us to continue to improve our visibility for future growth. Our new awards grew 33% to $208 million, thus increasing the total awarded backlog by over 7%. Our sales teams are energized and focused on driving new business. We are confident that they can continue to win new awards and keep up with our pace of implementation. In both our U.S. Regions and Federal segments, RFP volume is up, proposal submissions are increasing, and the awarded projects are larger.

A great example is our Eastern Region where we booked a landmark award, one of the largest awards in our corporate history. We placed $75 million in awarded backlog to start, and this housing-related project may end up being even larger. An award of this size clearly demonstrates both the trend in our markets to larger projects, and our ability to win them as an industry leader. It also reinforces the demand we are seeing for housing-related work. In August, we announced a similar project with the Housing Authority of the Birmingham District. That $37 million project also involves energy and water retrofits, and will save Birmingham $66 million over the life of the contract. We have several additional housing-related projects in our sales pipeline, and we are bullish about our prospects in this market.

The high level of sales activity in the East complements its solid revenue growth of approximately 20%, and an adjusted EBITDA margin a bit ahead of our corporate average. However, the East Region is only one of our bright spots. In fact, the 33% growth in U.S. revenue was distributed evenly across the country.

Our largest region is Central, which grew nearly 50% despite its size, generating nearly a quarter of our adjusted EBITDA. The prospects in this region are also encouraging. For instance, Minnesota is becoming a prime market for solar work for us. We previously announced our work at the Minneapolis-Saint Paul airport, and we believe our history there positions us well for additional follow-on projects. Meanwhile, our pace of proposals in the state is quite robust, as activity under the so-called Solar Community Garden law gains traction. We are pleased with the solid level of activity across the Central Region, since it can offset pockets of weakness, such as the state budget issues in Illinois that could delay some contracted work there.

Once again, the Federal segment reported superb results, building on our momentum in that market. Revenue grew 29%, and profitability was very good, with adjusted EBITDA margin well above our corporate average. Visibility also improved with contracted backlog up 33%.

The growth in Federal contracted backlog demonstrates our patience and persistence in growing this business. This quarter we contracted two longer-cycle awards. It took over 2 years to move Fort Hamilton into contract, but it was worth the wait since we expect it to bring in $17 million of revenue. Similarly, the Coast Guard opportunity took over 18 months to get to contract, and while smaller at $7 million, creates potential for more repeat business.

We are also identifying opportunities that will enable us to grow our commercial business. We are creating a joint venture with the international property and development company Lend Lease. The JV will pursue efficiency projects in the commercial space, both within Lend Lease’s portfolio and with other third-party properties, in the U.S. This is an important strategic development for us, as it meets one of our key objectives to further develop the C&I market. We are excited about this partnership and the new market opportunities it will create for Ameresco. We intend in the near future to more formally announce the JV and the first project.

In addition to strong performance in our projects, our recurring revenue streams also contributed meaningfully to results. We are focused on growing our operations and maintenance and the energy sales from our operating assets. Both of those businesses are stable, with gross margin and EBITDA margins well above the corporate average, and they both create a solid foundation for our profitability. Notably, we expect energy sales to steadily increase as we expand our operating asset portfolio. Our operating assets under development grew 68% to over $185 million, which bodes well as we place those assets into service in the quarters ahead.

Finally, I want to mention some steps we are taking to deepen the value of our energy efficiency offering. As you know, we have aggregated a number of building-efficiency software tools into a portfolio of analytic and monitoring solutions. This effort has resulted in a solid market position. For example, we ranked well in a recent study that benchmarked 27 building energy software vendors. That study noted that many customers would prefer to utilize analytic and monitoring tools provided by the same company implementing the efficiency improvements.

With a tool set that is recognized for its quality and functionality, we now need to optimize how we go to market. Because customers like to buy from their efficiency vendor, we have a natural advantage in how we can offer analytic and monitoring tools. By combining these tools with our core offering, we are making our energy efficiency proposition even more valuable. To optimize our efforts, we are re-organizing our software group to be highly integrated with the project teams. This should result in a more effective selling strategy, for both tools and projects, and better leverages our large existing project sales force and implementation teams. As part of this optimization effort, we expect to take some restructuring charges in Q4, which John will explain shortly.

In addition, we are continuing to take steps to better align our cost structure in Canada. In 2016 we expect to operate as a smaller and leaner business with an investment strategy balanced between the near and long-term. Our focus remains to position the Canada business unit to accelerate growth in 2016 and beyond.

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 Q3 2015 and the comparisons are for the year-over-year changes.

Starting with the P&L, revenue of $189.1 million was up 12%. As George discussed, this quarter was characterized by strong performance in our core project businesses in the U.S. Regions and Federal segments. Those were partially offset by lower revenue from Canada and solar PV equipment sales, which is a continuation of headwinds we have been fighting all year.

In our core project business, 20% revenue growth was broad based. U.S. Regions was up 35%, with all areas reporting double digit growth. Federal was up 34%, as we built on the momentum we have seen for the past few quarters. Outside our borders, the decline in Canada was large year over year, but that segment has stabilized now and was down only slightly sequentially. We believe we have contained the problems there. We put in place an experienced local leadership team, we have a growing awarded backlog, and we think we can start posting growth again in 2016. To further prepare for growth and rationalize the cost structure based on the new revenue run rate, we are reorganizing the group and further reducing costs. For example, we are closing one of our sales offices, and consolidating the coverage across others. We expect to take a restructuring charge in Q4 to handle the reorganization, which I will discuss shortly.

Recurring operations and maintenance revenue of $15.5 million was up 8%. We typically do not expect rapid growth in O&M. Rather, it acts like a steady annuity for us, bringing in stable revenue and profit year-in and year-out.

Energy revenue, which we primarily report in our Small-Scale Infrastructure segment, was $14.7 million, up slightly from last year and essentially flat from prior quarter. As George mentioned, we expect this revenue stream to grow in the quarters ahead, as we continue to invest in our portfolio of owned and operated assets.

Moving on to gross margin and operating expenses, gross margin for the third quarter was 19.2%, down somewhat both year over year and sequentially due mainly to mix. Project revenue is somewhat lower margin than our other lines of business, and with project revenue surging it is natural that gross margin percentage is diluted somewhat. Keep in mind that our objective is always to grow gross profit dollars. From that angle, gross profit grew 3.6% year-over-year and by over $5 million sequentially. In addition, we are also still impacted by the often-discussed problem project in Canada, which is a revenue contributor but with zero gross margin. That too is expected to change in 2016 as we complete the project and enjoy the benefit of the lower cost structure we are implementing in Q4.

SG&A expenses were $26.6 million, or 14% of revenue. That is down over 100 basis points from 15% last year, and 280 basis points sequentially from 17%. Inevitably, absolute dollar expenses will grow with the company, but we have structured ourselves to see some operating leverage as revenue ramps. Importantly, project development expenses increased 27% from the prior year. That spending reflects our efforts to build a healthy pipeline of projects, and indicates our sales and development teams are working hard pursuing new opportunities. We consider our PDC spend to be a good leading indicator of awards and projects in the quarters ahead. We are seeing the benefits of our project development efforts in the form of new awards and the increase in assets we are developing.

Operating income was $9.7 million, up 5% from last year due to the increase in revenue. Net income was $4.2 million, or 9 cents per diluted share. That is down versus last year because we are still recording a high tax rate, which was 44% this quarter versus a benefit in the prior year or a rate of (8%). As we have mentioned, we expect before year-end to realize some energy efficiency-related tax incentives that will bring our effective tax rate down to 25% for the year. Originally, there were two possible incentives that could kick in for us, but one is now out of play. Massachusetts did not pass a net metering law which caused a delay in several solar projects we are developing here. The delay pushed the completion date and the related ITC to 2016. The second path was taking advantage of the energy efficiency deductions provided by Section 179D as included in a Tax Extenders bill that is working its way through Congress. We still believe that passage of the Extenders before year-end is likely, so for now we are maintaining our guidance assumption of a full year tax rate of 25%. If the tax extenders are not passed before year end, our full year tax rate will approximate the 50% rate we have been accruing all year. As we have discussed in the past, in addition to the timing of the tax incentives, our full year tax rate is being driven higher by the valuation allowance in Canada which currently represents approximately half of the effective tax rate.

As an aside, using the assumed full-year tax rate of 25%, EPS would have been $0.12 in Q3.

Adjusted EBITDA, a non-GAAP measure that we believe to be reflective of our economic performance, was $16.1 million, or 34 cents per diluted share. Adjusted EBITDA grew 1.5% from last year and 42% sequentially. All of our businesses delivered positive adjusted EBITDA, except Canada and software. We still have some work to do in optimizing our software solution marketing, as George alluded to. We are now integrating the software teams into our core business which should positively impact results in 2016.

Now let’s turn to the balance sheet. Our solid performance resulted in a balance sheet that is stronger than last quarter. We generated $24.6 million in cash from operations and paid down the corporate revolver as of the end of the quarter. Cash was up by $1.9 million from Q2. Receivables were up due to the increase in revenue. However, days sales outstanding were down to 83 days, from 91 in Q2. Consolidated debt declined by over $7 million to $96 million. Removing project debt, which is non-recourse to us, corporate debt was $15.7 million.

Looking at capex, year to date gross capital expenditures were $41 million, up 61% from prior year. The increase represents the planned investments related to our assets in development. For the final quarter of the year, we expect gross capex of approximately $20 million. Our total project assets are now $239.1 million.

On the financing side, we secured another round of tax equity funding during the quarter. We now have up to $85 million to support solar asset development.

Now let's look at backlog and visibility. We started the quarter with $398 million in fully contracted backlog, and ended the quarter with $379 million. As George mentioned our implementation teams did an outstanding job, recognizing $139 million of work. That execution actually outpaced the tremendous job our sales teams did in converting $120 million of awards into contracts. Even though contracted backlog was down 5% due to completed work, awarded backlog is up 7%, causing our total ending backlog to grow 3%. New awards were $208 million, 33% larger than the new awards we won last year, leading to an award-to-sales ratio of 1.7.

Our performance through the first three quarters gives us confidence in the full-year guidance we have offered throughout the year. Because we have delivered on revenue and have good visibility into Q4, we are raising the low end of our revenue guidance range. We now expect full-year revenues to be in the range of $625 to $640 million.

We expect the momentum in the project businesses to continue through year end, along with some growth in our recurring revenue streams and relative stability in Canada and in solar PV equipment sales.

Due to surging project revenue, we now expect gross margin to be at the lower end of our guidance at 19%, while operating expenses should still be around 16% to 17% of revenue. As I mentioned, we continue to anticipate the effective tax rate for the full year to be around 25%, but caution that we could end up at a higher tax rate if Congress does not cooperate on tax extenders. EPS should fall within a range of $0.16 to $0.20. Adjusted EBITDA is expected to be in the range of $43 million to $46 million.

This outlook is before the charges we are taking as part of our optimization efforts. We are not sure of the exact amounts yet, but we believe we can provide an estimated range of the cash expenses related to the optimization. As of today, we expect to incur $1 million to $1.5 million for severance and lease termination costs. Savings from all of the restructuring activities identified to date should yield an annualized savings of approximately $2.0 million to $2.5 million. There could be some additional non-cash impairment charges as a result of the optimization.

Performance by Segment (in thousands):	Three Months Ended		Nine Months Ended	
	Revenues	Adjusted EBITDA(1)	Revenues	Adjusted EBITDA(1)
September 30, 2015				
U.S. Regions	$ 105,163	$ 10,178	$ 225,643	$ 17,918
U.S. Federal	35,491	4,629	90,071	13,566
Canada	12,931	(311)	37,663	(3,950)
Small-Scale Infrastructure	14,681	7,897	42,059	20,550
All Other	20,876	(816)	61,628	(2,309)
Unallocated corporate activity	—	(5,501)	—	(16,577)
Total Consolidated	$ 189,142	$ 16,076	$ 457,064	$ 29,198
September 30, 2014				
U.S. Regions	$ 79,217	$ 7,799	$ 180,863	$ 13,723
U.S. Federal	27,600	5,268	66,257	9,421
Canada	21,776	940	57,843	(511)
Small-Scale Infrastructure	13,954	6,026	39,309	17,739
All Other	26,344	1,330	67,908	2,906
Unallocated corporate activity	—	(5,518)	—	(18,026)
Total Consolidated	$ 168,891	$ 15,845	$ 412,180	$ 25,252

(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 September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Operating income	$ 9,670	$ 9,224	$ 10,326	$ 6,221
Depreciation and amortization of intangible assets	6,010	5,938	17,505	16,923
Stock-based compensation	396	683	1,367	2,108
Adjusted EBITDA	$ 16,076	$ 15,845	$ 29,198	$ 25,252
Adjusted EBITDA margin	8.5%	9.4%	6.4%	6.1%

Adjusted cash from operations (in thousands):	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Cash flows from operating activities	$ 3,652	$ (18,027)	$ (33,943)	$ (12,093)
Plus: proceeds from Federal ESPC projects	20,976	18,910	61,846	32,886
Adjusted cash from operations	$ 24,628	$ 883	$ 27,903	$ 20,793

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.