

# Zeo Energy Corp. Reports First Quarter 2026 Financial Results

Revenue increases 50% over prior year quarter, driven by increase in solar system installations

NEW PORT RICHEY, Fla., May 18, 2026 (GLOBE NEWSWIRE) -- [Zeo Energy Corp.](#) (Nasdaq: ZEO) ("Zeo," "Zeo Energy," or the "Company"), a provider of residential solar and commercial long-duration energy-storage solutions, today reported financial results for the first quarter March 31, 2026.

## First Quarter Financial and Operational Highlights

- First quarter revenue was \$13.2 million, up 50% from \$8.8 million in the prior year period.
- Gross profit margin for the quarter increased to \$5.6 million from \$4.0 million in the prior year period.
- Contribution profit increased to \$2.2 million from a loss of \$(2.8) million in the prior year period.
- First quarter Adjusted EBITDA, a non-GAAP financial measure, was a loss of \$(2.9) million, an improvement from a Adjusted EBITDA loss of \$(5.5) million in the prior year period.

## Management Commentary

"We grew revenue significantly year-over-year as we continue to focus on core states with low solar penetration rates and large upside potential," said **ZEO Energy Corp. CEO Tim Bridgewater**. "Despite the first quarter normally being our slowest period due to the seasonality of our business that peaks in the summer months, we delivered over 50% top-line growth while also reducing our cash operating expenses. We are also continuing to look for ways to reduce costs as we did in the first quarter, especially considering the shift to domestic content sourcing which carries higher costs."

"At the same time, our work under the memorandum of understanding with Creekstone continues to progress and we will share more details with our investors as they become available. Looking ahead, we remain optimistic about our growth potential in both the residential solar business and our long-duration energy storage business in 2026 and beyond."

## First Quarter 2026 Financial Results

*Results compare the first quarter of 2026 ending March 31, 2026, to the first quarter of 2025 ending March 31, 2025.*

- Total revenue was \$13.2 million in the first quarter of 2026, up 50% from \$8.8 million in the 2025 period as a result of an increase in the number of solar system installations.
- Gross profit increased to \$5.6 million, 42.5% of total revenue, in the first quarter of 2026 from \$4.0 million, 45.5% of total revenue, in the prior year period due to increased revenue while margins were lower due to higher cost of goods sold from an increase in the use of domestic content product.
- Contribution profit increased to \$2.2 million from a loss of \$(2.8) million in the prior year period and contribution margin increased to 17.0% of revenue from (31.5)% of revenue in the prior year period due to higher revenues and better cost control.
- Net loss for the first quarter of 2026 was \$(4.7) million compared to \$(13.3) million in the prior year period. The decrease in loss was driven by higher revenues and lower operating expenses which included a 33.9% reduction in general and administrative expenses. The decrease in general and administrative expenses was driven by significant reductions in bad debt expense as the result of the bankruptcy of one of Zeo's customers and stock-based compensation expense compared to the prior period. This resulted in a narrowing of loss per share to \$(0.11) from \$(0.48).
- Adjusted EBITDA, a non-GAAP measurement of operating performance reconciled below, increased to \$(2.9) million, (21.6)% of total revenue, in the first quarter of 2026 from approximately \$(5.5) million, (62.7)% of total revenue, in the comparable 2025 period. The change was primarily related to the improvement in revenue and lower operating expenses.

Additional information regarding Zeo's results of operations for the quarter ended March 31, 2026 can be found in its Quarterly Report on Form 10-Q, which has been filed with the U.S. Securities and Exchange Commission and can be accessed [here](#).

For more information, please visit the Zeo Energy Corp. website at <https://zeoenergy.com/>.

## About Zeo Energy Corp.

**Zeo Energy Corp. (Nasdaq: ZEO)** is a diversified clean energy company providing residential, commercial, industrial, and utility-scale solutions that cut costs and carbon emissions. Based in Florida, Zeo operates Sunergy, a residential solar, distributed energy, and efficiency solutions business, in high-growth markets with limited competitive saturation. It also operates Heliogen, Inc., a long-duration energy generation and storage business designed to deliver renewable power for high-demand applications such as AI, data centers, and other energy-intensive industries. With its vertically integrated approach, Zeo helps customers with a cost-effective transition to 24/7 clean energy.

## Non-GAAP Financial Measures

In addition to reporting financial results in accordance with U.S. generally accepted accounting principles ("GAAP"), this press release includes certain non-GAAP measures. The Company is providing this non-GAAP measure as a supplement to its financial statements prepared in accordance with GAAP which appear in this press release and in the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2026 as filed with the U.S. Securities and Exchange Commission. Readers are cautioned that non-GAAP financial measures are not required to be uniformly applied and are not audited.

## Adjusted EBITDA

Zeo Energy defines Adjusted EBITDA as net income (loss) before interest and other expenses, net, income tax expense, and depreciation and amortization, as adjusted to exclude stock-based compensation. Zeo Energy utilizes Adjusted EBITDA as an internal performance measure in the management of the Company's operations because the Company believes the exclusion of these non-cash and non-recurring charges allows for a more relevant comparison of Zeo's results of operations to other companies in the industry. Adjusted EBITDA should not be viewed as a substitute for net loss calculated in accordance with GAAP, and other companies may define Adjusted EBITDA differently.

The following table provides a reconciliation of net income (loss) to Adjusted EBITDA for the periods presented:

	Three Months Ended March 31,	
	2026	2025
Net loss	\$ (4,691,311)	\$ (13,319,363)
Adjustments:		
Other income	(68,437)	(82,363)
Interest expense	10,853	30,277
(Gain) loss on change in fair value of warrant liabilities	75,900	(663,449)
Income tax provision (benefit)	(92,129)	523,500
Stock-based compensation	694,368	2,257,139
Non-recurring transaction-related expenses	138,723	845,859
Depreciation and amortization	1,081,528	4,900,729
Adjusted EBITDA	<u>\$ (2,850,505)</u>	<u>\$ (5,507,671)</u>
Net loss margin	<u>(35.6)%</u>	<u>(151.6)%</u>
Adjusted EBITDA margin	<u>(21.6)%</u>	<u>(62.7)%</u>

## Adjusted EBITDA Margin

Zeo Energy defines Adjusted EBITDA margin, a non-GAAP financial measure, expressed as a percentage, as the ratio of Adjusted EBITDA to revenue, net. Adjusted EBITDA margin measures net income (loss) before interest and other expenses, net, income tax expense, depreciation and amortization, as adjusted to exclude stock-based compensation and is expressed as a percentage of revenue. In the table above, Adjusted EBITDA is reconciled to the most comparable GAAP measure, net income (loss). Zeo Energy utilizes Adjusted EBITDA margin as an internal performance measure in the management of the Company's operations because the Company believes the exclusion of these non-cash and non-recurring charges allows for a more relevant comparison of the Company's results of operations to other companies in Zeo's industry.

The following table sets forth Zeo's calculations of Adjusted EBITDA margin for the periods presented:

	Three Months Ended	
	March 31,	
	2026	2025
Net loss	\$ (4,691,311)	\$ (13,319,363)
Adjusted EBITDA	\$ (2,850,505)	\$ (5,507,671)
Adjusted EBITDA margin	(21.6)%	(62.7)%

### Cautionary Note Regarding Forward-Looking Statements

This news release contains certain forward-looking statements within the meaning of section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Exchange Act of 1934, as amended, that are based on beliefs and assumptions and on information currently available to the Company. Such statements may include, but are not limited to, statements that refer to projections, forecasts, or other characterizations of future events or circumstances, including any underlying assumptions. The words "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "strategy," "future," "likely," "may," "should," "will," along with derivatives of these words and similar references to future periods may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements may include, for example, statements about the future financial performance of the Company; the ability to effectively consolidate the assets of acquired companies and produce the expected results; changes in the Company's strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, the ability to raise additional funds, and plans and objectives of management. These forward-looking statements are based on information available as of the date of this news release, and current expectations, forecasts, and assumptions, and involve a number of judgments, risks, and uncertainties. Accordingly, forward-looking statements should not be relied upon as representing the Company's views as of any subsequent date, and the Company does not undertake any obligation to update such forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities laws. You should not place undue reliance on these forward-looking statements. As a result of a number of known and unknown risks and uncertainties, the Company's actual results or performance may be materially different from those expressed or implied by these forward-looking statements. Some factors that could cause actual results to differ include: (i) the outcome of any legal proceedings that may be instituted against the Company or others; (ii) the Company's success in retaining or recruiting, or changes required in, its officers, key employees, or directors; (iii) the Company's ability to raise additional capital and maintain the listing of its common stock and warrants on Nasdaq; (iv) limited liquidity and trading of the Company's securities; (v) geopolitical risk and changes in applicable laws or regulations, including tariffs or trade restrictions; (vi) the possibility that the Company may be adversely affected by other economic, business, and/or competitive factors; (vii) operational risk; (viii) litigation and regulatory enforcement risks, including the diversion of management time and attention and the additional costs and demands on the Company's resources; (ix) the Company's ability to effectively consolidate the assets of acquired companies and produce the expected results; and (x) other risks and uncertainties, including those included under the heading "Risk Factors" in the Company's Annual Report on Form 10-K filed with the

U.S. Securities and Exchange Commission (the "SEC") for the year ended December 31, 2025 and in its subsequent periodic reports and other filings with the SEC.

In light of the significant risks and uncertainties associated with forward-looking statements, you should not regard these statements as a representation or warranty by the Company, its respective directors, officers or employees or any other person that the Company will achieve its objectives and plans in any specified time frame, or at all. The forward-looking statements in this news release represent the views of the Company as of the date of this news release. Subsequent events and developments may cause that view to change. However, while the Company may elect to update these forward-looking statements at some point in the future, there is no current intention to do so, except to the extent required by applicable law. You should, therefore, not rely on these forward-looking statements as representing the views of the Company as of any date subsequent to the date of this news release.

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**-Financial Tables to Follow-**

**ZEO ENERGY CORP.**  
**CONDENSED CONSOLIDATED BALANCE SHEET (Unaudited)**

	<b>March 31,</b>	<b>December 31,</b>
	<b>2026</b>	<b>2025</b>
	<b>(Unaudited)</b>	
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,731,160	\$ 6,137,939
Accounts receivable, net of allowance of \$4,978,233 and \$4,777,550, respectively	10,360,929	8,158,909
Accounts receivable - related parties	765,757	611,807
Inventories	854,733	852,179
Contract assets	2,337,408	2,598,623
Prepaid expenses and other current assets	3,982,540	4,192,590
Total Current Assets	20,032,527	22,552,047
<b>Other assets</b>		
Other assets	67,667	92,712
Property and equipment, net	1,988,422	2,830,490
Operating lease right-of-use assets	732,192	897,476
Finance lease right-of-use assets	276,421	310,539
Note receivable - related parties	6,343,069	3,153,485
Goodwill	27,091,695	27,091,695
TOTAL ASSETS	\$ 56,531,993	\$ 56,928,444
<b>LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 5,010,855	\$ 3,769,078
Accrued expenses and other current liabilities	1,847,476	2,421,237
Accrued expenses and other current liabilities - related parties	3,849,754	49,269
Contract liabilities	623,591	1,301,393
Current portion of operating lease obligations	611,704	684,819
Current portion of finance lease obligations	145,767	142,095
Current portion of long-term debt	24,183	23,526
Total Current Liabilities	12,113,330	8,391,417
Operating lease obligations, net of current portion	196,281	304,295
Finance lease obligations, net of current portion	171,017	208,865
Long-term debt, net of current portion	49,288	55,586
Warrant liabilities	567,180	491,280
TOTAL LIABILITIES	13,097,096	9,451,443
<b>Redeemable Noncontrolling Interests</b>		
Class A convertible preferred units, 1,500,000 units issued and outstanding as of March 31, 2026 and December 31, 2025	17,479,714	17,207,469
Class B units, 21,380,000 and 22,880,000 units issued and outstanding as of March 31, 2026 and December 31, 2025, respectively	12,272,120	24,939,200
<b>Stockholders' Equity</b>		
Class V common stock, \$0.0001 par value, 100,000,000 authorized shares; 22,880,000 and 24,380,000 shares issued and outstanding as of March 31, 2026 and December 31, 2025, respectively	2,288	2,438
Class A common stock, \$0.0001 par value, 300,000,000 authorized shares; 35,139,912 and 33,180,843 shares issued and outstanding as of March 31, 2026 and December 31, 2025, respectively	3,514	3,318
Additional paid-in capital	65,063,624	63,394,456
Accumulated other comprehensive loss	8,251	(4,895)
Accumulated deficit	(51,394,614)	(58,064,985)
TOTAL STOCKHOLDERS' EQUITY	13,683,063	5,330,332
TOTAL LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND STOCKHOLDERS' EQUITY	\$ 56,531,993	\$ 56,928,444

**ZEO ENERGY CORP.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)**

	Three Months Ended	
	March 31,	
	2026	2025
Revenues		
Revenue, net	\$ 12,155,521	\$ 6,216,391
Related party revenue, net	1,029,423	2,567,304
Total Net Revenues	13,184,944	8,783,695
Operating Expenses		
Cost of revenues	7,580,046	4,789,679
Depreciation and amortization	1,081,528	4,900,729
Sales and marketing	3,011,770	3,112,799
General and administrative	6,276,724	9,491,886
Total Operating Expenses	17,950,068	22,295,093
LOSS FROM OPERATIONS	(4,765,124)	(13,511,398)
Other Income (Expense)		
Other income	68,437	82,363
Interest expense	(10,853)	(30,277)
Gain (loss) on change in fair value of warrant liabilities	(75,900)	663,449
Total Other Income (Expense)	(18,316)	715,535
NET LOSS FROM OPERATIONS BEFORE INCOME TAXES	(4,783,440)	(12,795,863)
Income tax benefit (provision)	92,129	(523,500)
NET LOSS	\$ (4,691,311)	\$ (13,319,363)
Less: Net loss attributable to redeemable noncontrolling interests	(1,178,637)	(6,958,098)
NET LOSS ATTRIBUTABLE TO CLASS A COMMON STOCKHOLDERS	\$ (3,512,674)	\$ (6,361,265)
LOSS PER CLASS A COMMON SHARE - BASIC AND DILUTED	\$ (0.11)	\$ (0.48)
WEIGHTED-AVERAGE CLASS A COMMON SHARES OUTSTANDING - BASIC AND DILUTED	33,377,040	13,252,964
COMPREHENSIVE LOSS		
Foreign currency translation adjustments	(13,146)	-
NET COMPREHENSIVE LOSS	\$ (3,499,528)	\$ (6,361,265)

**ZEO ENERGY CORP.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)**

	Three Months Ended	
	March 31,	
	2026	2025
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (4,691,311)	\$ (13,319,363)
Adjustment to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	1,081,528	4,885,729
Amortization of debt discount	-	15,000
(Gain) loss on change in fair value of warrant liabilities	75,900	(663,449)
Stock-based compensation	663,053	2,193,630
Class A common stock issued to employees for services	31,315	63,509
Provision for credit losses	200,683	3,538,569
Non-cash operating lease expense	165,284	180,643
Changes in operating assets and liabilities:		
Accounts receivable	(2,402,703)	1,742,908
Accounts receivable - related parties	(153,950)	(94,441)
Inventories	(2,554)	25,075
Contract assets	261,215	32,609
Prepays and other current assets	204,075	1,138,288
Other assets	25,045	-
Interest receivable - related parties	(39,584)	(37,656)
Accounts payable	1,254,681	788,747
Accrued expenses and other current liabilities	(467,073)	(1,465,223)
Accrued expenses and other current liabilities - related parties	3,800,485	(1,038,972)
Contract liabilities	(677,802)	(82,190)
Contract liabilities - related parties	-	(2,000)
Operating lease payments	(181,129)	(164,851)
Net cash used in operating activities	<u>(852,842)</u>	<u>(2,263,438)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(205,342)	(372,578)
Investment in note receivable - related party	(3,150,000)	-
Net cash used in investing activities	<u>(3,355,342)</u>	<u>(372,578)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceeds from Class A common stock issued in connection with a committed equity facility	13,455	-
Repayments of finance lease liabilities	(34,176)	(31,696)
Repayments of debt	(5,641)	(72,300)
Dividends paid to OpCo Class A preferred unit holders	(160,153)	-
Tax withholdings paid related to stock-based compensation	(11,609)	-
Net cash used in financing activities	<u>(198,124)</u>	<u>(103,996)</u>
Effect of foreign exchange on cash	(471)	-
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(4,406,779)</b>	<b>(2,740,012)</b>
Cash and cash equivalents, beginning of period	6,137,939	5,634,115
Cash and cash equivalents, end of the period	<u>\$ 1,731,160</u>	<u>\$ 2,894,103</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ 10,853	\$ 25,785
Cash paid for income taxes	\$ -	\$ -
<b>NON-CASH INVESTING AND FINANCING ACTIVITIES</b>		
Net loss attributable to redeemable noncontrolling interest	\$ 1,611,035	\$ 7,363,336
OpCo Class A preferred dividends	\$ 432,398	\$ 405,237
Subsequent measurement of redeemable noncontrolling interest	\$ 10,183,045	\$ 51,448,264
Class A common stock issued upon vesting of restricted stock awards	\$ 12	\$ -
Class A common stock issued in exchange for Class V common stock	\$ 150	\$ 850
Fair value of Class A common stock issued in exchange for OpCo Class B units	\$ 873,000	\$ 18,785,000
Class A common stock issued for commitment fee	\$ 100,000	\$ -
Reverse recapitalization related deferred taxes and adjustments	\$ -	\$ 238,491



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