
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): February 6, 2018

IES Holdings, Inc.
(Exact name of registrant as specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-13783
(Commission
File Number)

76-0542208
(I.R.S. Employer
Identification Number)

5433 Westheimer Road, Suite 500, Houston, Texas 77056
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: (713) 860-1500

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 (see General Instruction A.2. below):

- 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On February 6, 2018, IES Holdings, Inc. (the “Company”) issued a press release announcing its results of operations for the fiscal 2018 first quarter. A copy of the press release is furnished with this report as Exhibit 99.1.

Item 7.01 Regulation FD Disclosure.

On February 6, 2018, the Company posted to its website, www.ies-co.com, under the Investor Relations section, a presentation with the title “IES Holdings, Inc.–First Quarter 2018 Update” and a presentation with the title “IES Holdings – Investor Presentation (February 2018).” A copy of each of the presentations is furnished with this report as Exhibit 99.2 and Exhibit 99.3, respectively. The presentations will remain on the Company’s website for a period of at least thirty days.

The information set forth herein is furnished pursuant to Item 7.01– Regulation FD Disclosure and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of such section nor shall the information be deemed incorporated by reference in any filing of the Company.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
Exhibit 99.1	<u>Press release dated February 6, 2018 announcing results of operations.</u>
Exhibit 99.2	<u>Presentation titled “IES Holdings, Inc.–First Quarter 2018 Update,” dated February 6, 2018.</u>
Exhibit 99.3	<u>Presentation titled “IES Holdings, Inc.–Investor Presentation (February 2018),” dated February 6, 2018.</u>

SIGNATURES

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.

IES HOLDINGS, INC.

/s/ Gail D. Makode

Gail D. Makode

Senior Vice President and General Counsel

Date: February 6, 2018



Contact: Tracy McLauchlin, CFO
IES Holdings, Inc.
713-860-1500

FOR IMMEDIATE RELEASE

IES Holdings Reports Fiscal 2018 First Quarter Results

HOUSTON — February 6, 2018 — IES Holdings, Inc. (or “IES” or the “Company”) (NASDAQ: IESC) today announced financial results for the quarter ended December 31, 2017. Results during the quarter were adversely impacted by a preliminary \$31.3 million charge related to the December 2017 enactment of the Tax Cuts and Jobs Act, which went into effect January 1, 2018.

First Quarter 2018 Highlights

- Revenue of \$198 million for the first quarter of fiscal 2018, an increase of 3% compared with the first quarter of fiscal 2017
- Income from operations of \$3.0 million for the first quarter of fiscal 2018, a decrease of \$4.0 million compared with the first quarter of fiscal 2017
- Net loss attributable to IES for the first quarter of fiscal 2018 of \$29.6 million, or \$1.39 per diluted share, which includes a \$31.3 million charge related to the enactment of the Tax Cuts and Jobs Act (as further discussed below)
- Adjusted net income attributable to IES (a non-GAAP financial measure, as defined below) for the first quarter of fiscal 2018 of \$2.4 million, a decrease of \$3.6 million compared with the first quarter of fiscal 2017
- Backlog of approximately \$337 million as of December 31, 2017, as compared to approximately \$331 million as of September 30, 2017 and approximately \$328 million as of December 31, 2016

Management Commentary

Robert Lewey, President, stated, “While our Residential and Communications segments had excellent performance, our Infrastructure Solutions and Commercial & Industrial segments did not meet our expectations during the quarter. Our Infrastructure Solutions segment continues to face headwinds, which are driven by sluggish demand from our industrial customers, and was also impacted by underperformance on certain projects during the quarter. Our Commercial & Industrial segment was negatively impacted by project delays, an increase in self-insurance reserves and continuing costs at our wind-down branches. We expect to see improved performance from both segments going forward and we remain committed to executing on our overall growth strategy and maintaining a strong balance sheet.”

Tracy McLauchlin, Chief Financial Officer, added, “Our results during the quarter were impacted by the federal tax reform enacted in December 2017 and the recording of a non-cash charge of \$31 million as a write-down of our net deferred tax assets and liabilities. Our continued strong cash flow has resulted in a year-over-year increase in our cash balances despite using cash to fund three acquisitions and support our growth and expansion. We remain well positioned to use our liquidity to fund our growth strategy.”

Tax Cuts and Jobs Act Impact

At September 30, 2017, the Company had deferred tax assets of \$86.2 million. In December 2017, the Tax Cuts and Jobs Act was enacted, which, among other changes, reduced the federal statutory corporate tax rate from 35% to 21%. As a result of this change, we recorded a preliminary charge of \$31.3 million as a write-down of net deferred tax assets and liabilities to reflect the estimated impact of the new statutory tax rate. This charge may be adjusted in future quarters and has no impact on our cash taxes paid.

Net Operating Loss Carryforwards

The Company estimates that it has available Net Operating Loss Carryforwards (NOLs) for U.S. federal income tax purposes of approximately \$378 million at September 30, 2017, including approximately \$142 million resulting from the additional amortization of personal goodwill. The Company’s common stock is subject to a Rights Plan dated November 8, 2016, which is intended to assist in limiting the number of 5% or more owners of the Company’s common stock and, thereby

reduce the risk of a possible “change of ownership” under Section 382 of the Internal Revenue Code of 1986, as amended. Any such “change of ownership” under these rules would limit or eliminate the ability of the Company to use its existing NOLs for federal income tax purposes. There is no guarantee that the Rights Plan will achieve the objective of preserving the value or realization of the NOLs.

Stock Buyback Plan

The Company’s Board of Directors has authorized and previously announced a stock repurchase program for purchasing up to 1.5 million shares of our common stock from time to time. The Company did not repurchase any of its common stock during the three months ended December 31, 2017.

Non-GAAP Financial Measures and Other Adjustments

This press release includes adjusted net income attributable to IES and, in the non-GAAP reconciliation table included herein, adjusted net income before taxes, both of which are financial measures not calculated in accordance with generally accepted accounting principles in the U.S. (“GAAP”). Management believes that these measures provide useful information to our investors by distinguishing certain noncash events such as our valuation allowances release and write-down of our net deferred tax assets, and that these measures, when reconciled to net income attributable to IES, which is the most directly comparable GAAP measure, help our investors to better identify underlying trends in the operations of our business and facilitate easier comparisons of our financial performance with prior and future periods and to our peers. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information calculated in accordance with GAAP. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures. A reconciliation of these non-GAAP financial measures to GAAP results has been provided in the financial tables included in this press release.

For further details on the Company’s financial results, please refer to the Company’s quarterly report on Form 10-Q for the fiscal quarter ended December 31, 2017, to be filed with the Securities and Exchange Commission (“SEC”) by February 6, 2018, and any amendments thereto.

About IES Holdings, Inc.

IES is a holding company that owns and manages diverse operating subsidiaries, comprised of providers of industrial infrastructure services to a variety of end markets. Our approximately 3,500 employees serve clients in the United States. For more information about IES, please visit www.ies-co.com.

Certain statements in this release may be deemed “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, all of which are based upon various estimates and assumptions that the Company believes to be reasonable as of the date hereof. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “could,” “should,” “expect,” “plan,” “project,” “intend,” “anticipate,” “believe,” “seek,” “estimate,” “predict,” “potential,” “pursue,” “target,” “continue,” the negative of such terms or other comparable terminology. These statements involve risks and uncertainties that could cause the Company’s actual future outcomes to differ materially from those set forth in such statements. Such risks and uncertainties include, but are not limited to, the ability of our controlling shareholder to take action not aligned with other shareholders; the possibility that certain tax benefits of our net operating losses may be restricted or reduced in a change in ownership or a further change in the federal tax rate; the potential recognition of valuation allowances or further write-downs on net deferred tax assets; the inability to carry out plans and strategies as expected, including underperformance of our acquisitions or our inability to identify and complete acquisitions that meet our investment criteria in furtherance of our corporate strategy; competition in the industries in which we operate, both from third parties and former employees, which could result in the loss of one or more customers or lead to lower margins on new projects; fluctuations in operating activity due to downturns in levels of construction, seasonality and differing regional economic conditions; and our ability to successfully manage projects, as well as other risk factors discussed in this document, in the Company’s annual report on Form 10-K for the year ended September 30, 2017 and in the Company’s other reports on file with the SEC. You should understand that such risk factors could cause future outcomes to differ materially from those experienced previously or those expressed in such forward-looking statements. The Company undertakes no obligation to publicly update or revise any information, including information concerning its controlling shareholder, net operating losses, borrowing availability, or cash position, or any forward-looking statements to reflect events or circumstances that may arise after the date of this release.

Forward-looking statements are provided in this press release pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995 and should be evaluated in the context of the estimates, assumptions, uncertainties, and risks described herein.

General information about IES Holdings, Inc. can be found at <http://www.ies-co.com> under “Investors.” The Company’s annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, as well as any amendments to those reports, are available free of charge through the Company’s website as soon as reasonably practicable after they are filed with, or furnished to, the SEC.

IES HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	Three Months Ended December 31,	
	2017	2016
Revenues	\$ 198.3	\$ 192.2
Cost of services	165.2	157.0
Gross profit	33.1	35.2
Selling, general and administrative expenses	30.1	28.2
Income from operations	3.0	7.0
Interest expense, net	0.4	0.4
Other expense (income), net	(0.1)	—
Income from continuing operations before income taxes	2.6	6.6
Provision for income taxes	32.2	2.6
Net income	(29.5)	3.9
Net income attributable to noncontrolling interest	(0.1)	(0.1)
Net income attributable to IES Holdings, Inc.	\$ (29.6)	\$ 3.9
Earnings per share attributable to IES Holdings, Inc.:		
Basic	\$ (1.39)	\$ 0.18
Diluted	\$ (1.39)	\$ 0.18
Shares used in the computation of income per share:		
Basic (in thousands)	21,197	21,286
Diluted (in thousands)	21,197	21,558

IES HOLDINGS, INC. AND SUBSIDIARIES
NON-GAAP RECONCILIATION OF ADJUSTED NET INCOME
ATTRIBUTABLE TO IES HOLDINGS, INC. (DOLLARS IN MILLIONS)
(UNAUDITED)

	Three Months Ended December 31,	
	2017	2016
Net income attributable to IES Holdings, Inc.	\$ (29.6)	\$ 3.9
Provision for income taxes	32.2	2.6
Adjusted net income before taxes	2.6	6.5
Current tax expense (1)	(0.2)	(0.5)
Adjusted net income attributable to IES Holdings, Inc.	\$ 2.4	\$ 6.0

(1) Represents the tax expense for the current period which will be paid in cash, and not offset by the utilization of deferred tax assets

IES HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(DOLLARS IN MILLIONS)
(UNAUDITED)

ASSETS	<u>December 31, 2017</u>	<u>September 30, 2017</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 31.9	\$ 28.3
Accounts receivable:		
Trade, net of allowance	127.2	142.9
Retainage	19.8	21.4
Inventories	17.0	16.9
Costs and estimated earnings in excess of billings	13.9	13.4
Prepaid expenses and other current assets	10.8	8.8
Total current assets	<u>220.6</u>	<u>231.8</u>
Property and equipment, net	24.8	24.6
Goodwill	46.7	46.7
Intangible assets	30.5	31.4
Deferred tax assets	52.1	86.2
Other non-current assets	6.0	3.8
Total assets	<u>\$ 380.7</u>	<u>\$ 424.5</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 108.2	\$ 120.7
Billings in excess of costs and estimated earnings	27.4	29.9
Total current liabilities	<u>135.7</u>	<u>150.6</u>
Long-term debt, net of current maturities	29.5	29.4
Other non-current liabilities	4.7	4.5
Total liabilities	<u>169.8</u>	<u>184.5</u>
Noncontrolling interest	3.3	3.3
STOCKHOLDERS' EQUITY:		
Preferred stock	—	—
Common stock	0.2	0.2
Treasury stock, at cost	(6.9)	(6.9)
Additional paid-in capital	197.3	197.0
Retained earnings	16.9	46.4
Total stockholders' equity	<u>207.5</u>	<u>236.7</u>
Total liabilities and stockholders' equity	<u>\$ 380.7</u>	<u>\$ 424.5</u>

IES HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLARS IN MILLIONS)
(UNAUDITED)

	Three Months Ended December 31,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ (29.5)	\$ 3.9
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred financing cost amortization	0.1	0.1
Depreciation and amortization	2.2	2.1
Deferred income taxes	32.2	2.1
Non-cash compensation expense	0.4	0.5
Changes in operating assets and liabilities, net of effects of acquisitions and divestitures:		
Accounts receivable	15.7	3.2
Inventories	(0.1)	(1.0)
Costs and estimated earnings in excess of billings	(0.5)	(3.6)
Prepaid expenses and other current assets	(0.4)	(6.0)
Other non-current assets	(0.1)	0.3
Accounts payable and accrued expenses	(12.7)	(8.0)
Billings in excess of costs and estimated earnings	(2.5)	0.8
Other non-current liabilities	0.2	—
Net cash provided by operating activities	<u>5.0</u>	<u>(5.6)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Purchases of property and equipment	(1.2)	(1.8)
Cash paid for acquisitions, net of cash acquired	(0.2)	—
Net cash used in investing activities	<u>(1.4)</u>	<u>(1.8)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of debt	(0.1)	—
Options exercised	—	0.1
Net cash provided by (used in) financing activities	<u>—</u>	<u>—</u>
NET INCREASE (DECREASE) IN CASH EQUIVALENTS	3.6	(7.4)
CASH AND CASH EQUIVALENTS, beginning of period	28.3	33.2
CASH AND CASH EQUIVALENTS, end of period	<u>\$ 31.9</u>	<u>\$ 25.8</u>

IES HOLDINGS, INC. AND SUBSIDIARIES
OPERATING SEGMENT STATEMENTS OF OPERATIONS
(DOLLARS IN MILLIONS)
(UNAUDITED)

	Three Months Ended December 31,	
	2017	2016
Revenue		
Commercial & Industrial	\$ 53.0	\$ 54.0
Communications	54.5	53.3
Infrastructure Solutions	21.7	18.5
Residential	69.2	66.4
Total Revenue	\$ 198.3	\$ 192.2
Operating Income		
Commercial & Industrial	\$ (0.9)	\$ 1.8
Communications	3.0	2.3
Infrastructure Solutions	0.1	1.3
Residential	4.1	5.2
Corporate	(3.3)	(3.5)
Total Operating Income	\$ 3.0	\$ 7.0

IES HOLDINGS, INC. AND SUBSIDIARIES
WIND-DOWN STATEMENTS OF OPERATIONS*
(DOLLARS IN MILLIONS)
(UNAUDITED)

	Three Months Ended December 31,	
	2017	2016
Revenues	\$ 3.2	\$ 10.4
Cost of service	3.3	10.1
Gross profit	(0.1)	0.2
Selling, general and administrative expenses	0.5	0.6
Income from operations	\$ (0.6)	\$ (0.4)

* Includes results from the Denver and Roanoke branches of our Commercial & Industrial segment. In July, 2017, we implemented a plan to wind-down operations at these branches.

IES Holdings, Inc.

First Quarter 2018 Update



Disclosures

Forward-Looking Statements

Certain statements in this document may be deemed "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, all of which are based upon various estimates and assumptions that the Company believes to be reasonable as of the date hereof. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "could," "should," "expect," "plan," "project," "intend," "anticipate," "believe," "seek," "estimate," "predict," "potential," "pursue," "target," "continue," the negative of such terms or other comparable terminology. These statements involve risks and uncertainties that could cause the Company's actual future outcomes to differ materially from those set forth in such statements. Such risks and uncertainties include, but are not limited to, the ability of our controlling shareholder to take action not aligned with other shareholders; the possibility that certain tax benefits of our net operating losses may be restricted or reduced in a change in ownership or a further change in the federal tax rate; the potential recognition of valuation allowances or further write-downs on net deferred tax assets; the inability to carry out plans and strategies as expected, including underperformance of our acquisitions or our inability to identify and complete acquisitions that meet our investment criteria in furtherance of our corporate strategy; competition in the industries in which we operate, both from third parties and former employees, which could result in the loss of one or more customers or lead to lower margins on new projects; fluctuations in operating activity due to downturns in levels of construction, seasonality and differing regional economic conditions; and our ability to successfully manage projects, as well as other risk factors discussed in this document, in the Company's annual report on Form 10-K for the year ended September 30, 2017 and in the Company's other reports on file with the SEC. You should understand that such risk factors could cause future outcomes to differ materially from those experienced previously or those expressed in such forward-looking statements. The Company undertakes no obligation to publicly update or revise any information, including information concerning its controlling shareholder, net operating losses, borrowing availability, or cash position, or any forward-looking statements to reflect events or circumstances that may arise after the date of this document. Forward-looking statements are provided in this press document pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995 and should be evaluated in the context of the estimates, assumptions, uncertainties, and risks described herein.

Non-GAAP Financial Measures and Other Adjustments

This document includes adjusted net income attributable to IES and, in the non-GAAP reconciliation table included herein, adjusted net income before taxes, both of which are financial measures not calculated in accordance with generally accepted accounting principles in the U.S. ("GAAP"). Management believes that these measures provide useful information to our investors by distinguishing certain noncash events such as our valuation allowances release and write-down of our net deferred tax assets and that these measures, when reconciled to net income attributable to IES, which is the most directly comparable GAAP measure, help our investors to better identify underlying trends in the operations of our business and facilitate easier comparisons of our financial performance with prior and future periods and to our peers. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information calculated in accordance with GAAP. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures. A reconciliation of these non-GAAP financial measures to GAAP results has been provided in the financial tables included in this document.

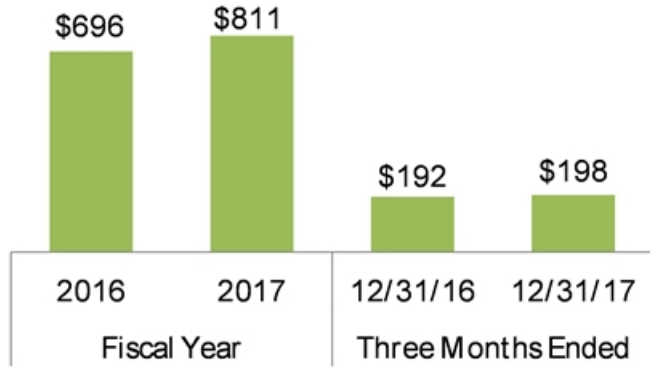
For further details on the Company's financial results, please refer to the Company's quarterly report on Form 10-Q for the fiscal quarter ended December 31, 2017, to be filed with the Securities and Exchange Commission ("SEC") by February 6, 2018, and any amendments thereto.

General information about IES Holdings, Inc. can be found at <http://www.ies-co.com> under "Investors." The Company's annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, as well as any amendments to those reports, are available free of charge through the Company's website as soon as reasonably practicable after they are filed with, or furnished to, the SEC.

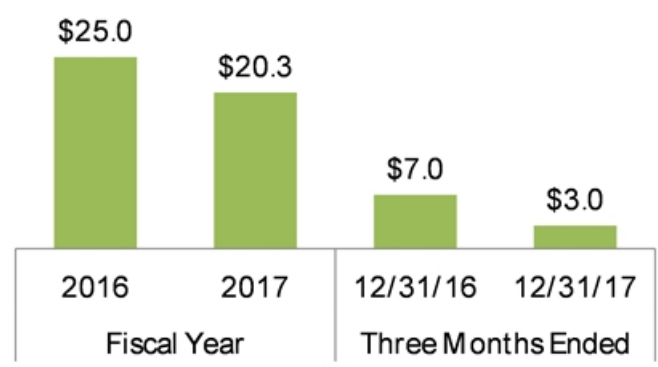
IES Holdings, Inc. (NASDAQ: IESC)

Financial measures presented here are in millions, except for earnings per share or as otherwise noted

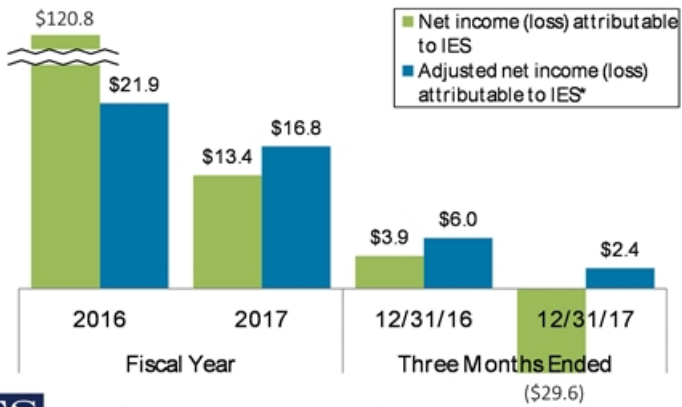
REVENUE



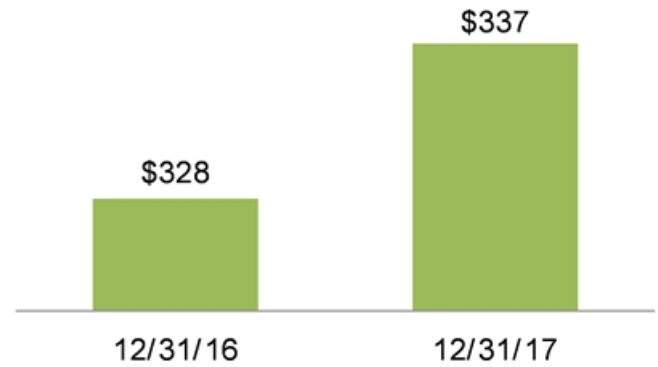
OPERATING INCOME



NET INCOME ATTRIBUTABLE TO IES



BACKLOG



* Adjusted net income attributable to IES is a non-GAAP financial measure; see supplemental disclosure for reconciliation table

First Quarter 2018 Highlights

◆ Revenue

- \$198.3 million, an increase of 3.2% compared with the 1st quarter of FY17 (“1Q17”)

◆ Income from Operations

- \$2.9 million, a decrease of \$4.0 million compared with 1Q17

◆ Taxes

- Provision for income taxes of \$32.2 million includes \$31.3 million charge related to the enactment of the Tax Cuts and Jobs Act

◆ Earnings

- Net loss attributable to IES of \$29.6 million, or \$1.39 per diluted share, compared with net income of \$3.9 million, or \$0.18 per diluted share, for 1Q17
- Adjusted net income attributable to IES (a non-GAAP financial measure; see supplemental disclosure table) of \$2.4 million, compared with \$6.0 million for 1Q17

First Quarter 2018 Segment Results

Commercial & Industrial

- ◆ Revenue: \$53.0 million, decrease of 1.8% from 1Q17
 - ◆ Operating Loss: (\$0.9) million
 - ◆ Operating Margin: (1.8%)
-

Communications

- ◆ Revenue: \$54.5 million, increase of 2.2% over 1Q17
 - ◆ Operating Profit: \$3.0 million
 - ◆ Operating Margin: 5.6%
-

Infrastructure Solutions

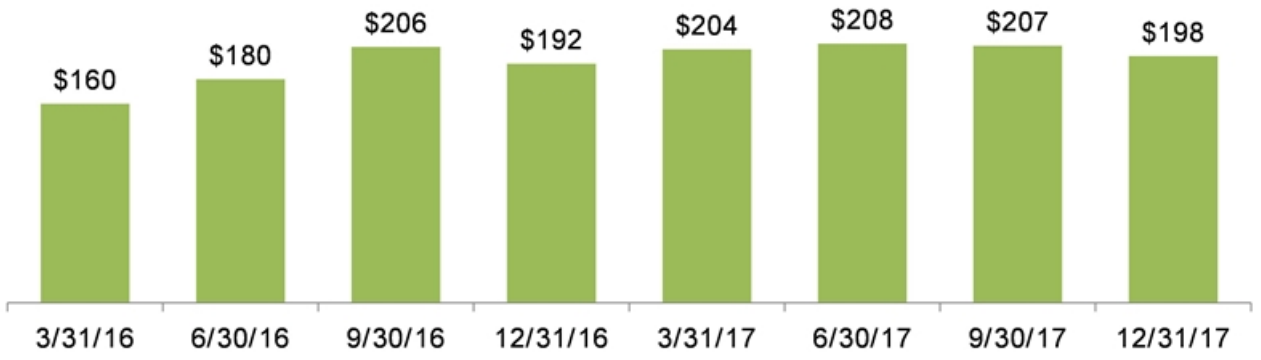
- ◆ Revenue: \$21.7 million, increase of 17.4% over 1Q17
 - ◆ Operating Profit: \$0.1 million
 - ◆ Operating Margin: 0.6%
-

Residential

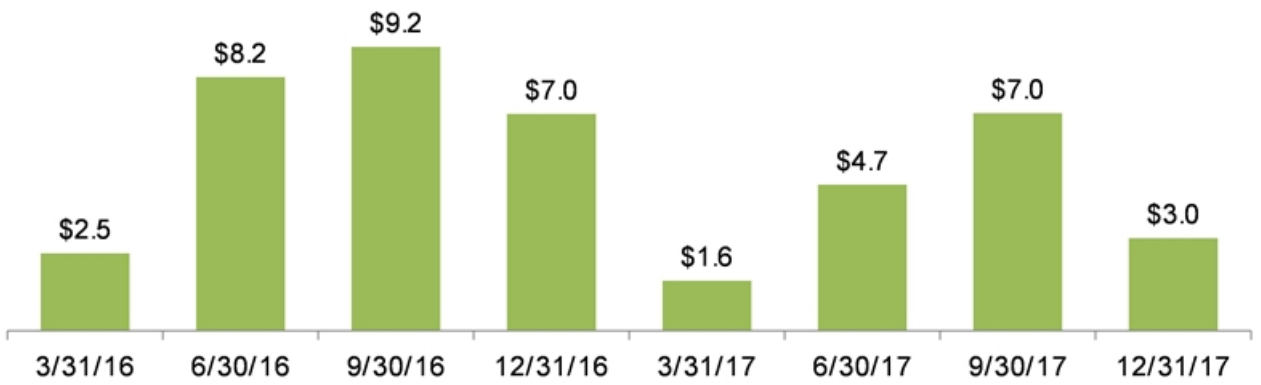
- ◆ Revenue: \$69.2 million, increase of 4.1% over 1Q17
- ◆ Operating Profit: \$4.1 million
- ◆ Operating Margin: 5.9%

Quarterly Financials

Revenue

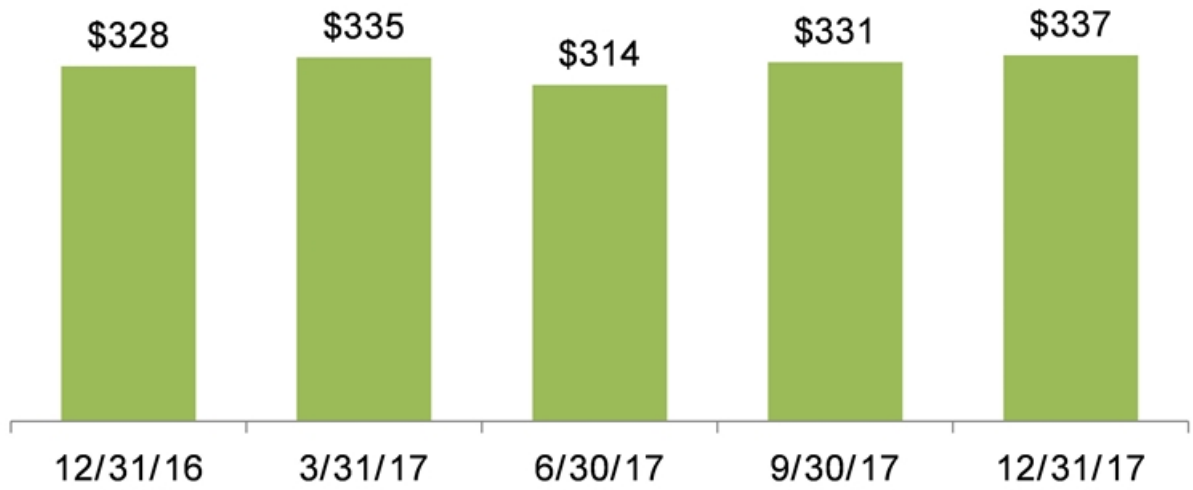


Operating Income



Backlog Of \$337 Million As Of 12/31/17

Quarterly Backlog



Income Statement

(in millions, except earnings per share)	Three Months Ended December 31,	
	2016	2017
Revenue	\$192.2	\$198.3
Income from operations ⁽¹⁾	7.0	3.0
Interest expense & other	0.4	0.3
Income from operations before income taxes	\$6.6	\$2.6
Provision (benefit) for income taxes	2.6	32.2
Net income attributable to noncontrolling interest	(0.1)	(0.1)
Net income attributable to IES Holdings, Inc.	\$3.9	(\$29.6)
<i>Adjusted net income attributable to IES Holdings, Inc. ⁽²⁾</i>	<i>\$6.0</i>	<i>\$2.4</i>
Earnings per share attributable to IES Holdings, Inc.	\$0.18	(\$1.39)
Diluted shares used to calculate earnings per share	21.6	21.2

⁽¹⁾Includes results of operations from two Commercial & Industrial branches that are winding down operations

⁽²⁾Adjusted net income attributable to IES Holdings, Inc. is a non-GAAP financial measure; see reconciliation table

Select Balance Sheet Data

(in millions)	12/31/16	9/30/17	12/31/17
Cash	\$25.8	\$28.3	\$31.9
Current Assets	183.6	203.5	188.7
Deferred Tax Assets	91.8	86.2	52.1
Non-Current Assets	90.7	106.5	108.0
Total Assets	\$392.0	\$424.5	\$380.7
Current Liabilities	\$125.8	\$150.6	\$135.7
Other Liabilities	6.8	4.5	4.7
Debt	29.3	29.4	29.5
Total Liabilities	\$161.9	\$184.5	\$169.8
Noncontrolling interest	1.8	3.3	3.3
Equity	228.2	236.7	207.5
Total Liabilities & Equity	\$392.0	\$424.5	\$380.7

Segment Results

(in millions)	Three Months Ended December 31,	
	2016	2017
Revenue		
Commercial & Industrial	\$54.0	\$53.0
Communications	53.3	54.5
Infrastructure Solutions	18.5	21.7
Residential	66.4	69.2
Total Revenue	<u>\$192.2</u>	<u>\$198.3</u>
Operating Income		
Commercial & Industrial	\$1.8	(\$0.9)
Communications	2.3	3.0
Infrastructure Solutions	1.3	0.1
Residential	5.2	4.1
Corporate	(3.5)	(3.3)
Total Operating Income	<u>\$7.0</u>	<u>\$3.0</u>

Commercial & Industrial Wind-Down Branches Results

The following table presents the operating losses of the Commercial & Industrial Wind-Down Branches for the current and prior year quarter

(in millions)	Three Months Ended December 31,	
	2016	2017
Revenues	\$10.4	\$3.2
Cost of Service	10.1	3.3
Gross Profit	\$0.2	(\$0.1)
Selling, general and administrative expenses	0.6	0.5
Loss from continuing operations	(\$0.4)	(\$0.6)

Non-GAAP Reconciliation Of Adjusted Net Income Attributable To IES Holdings, Inc.

(in millions)	Three Months Ended December 31,	
	2016	2017
Net income (loss) attributable to IES Holdings, Inc.	\$3.9	(\$29.6)
Provision for income taxes	2.6	32.2
Adjusted net income before taxes	\$6.5	\$2.6
Current tax expense ⁽¹⁾	(0.5)	(0.2)
Adjusted net income attributable to IES Holdings, Inc. ⁽²⁾	\$6.0	\$2.4

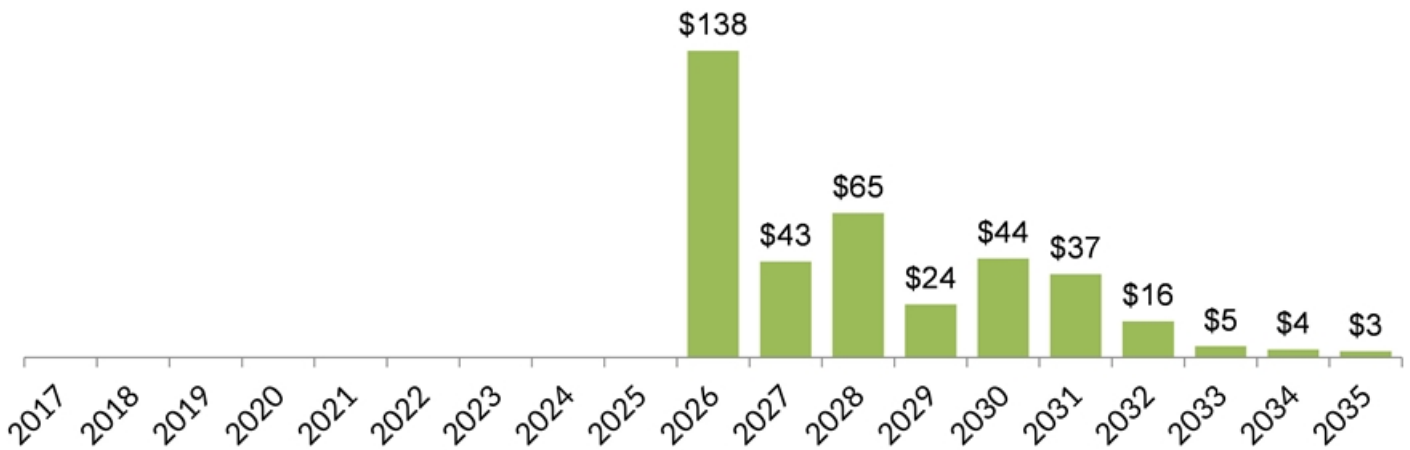
⁽¹⁾ Represents the tax expense for the current period which will be paid in cash, and not offset by the utilization of deferred tax assets

⁽²⁾ Adjusted net income attributable to IES Holdings, Inc. is a non-GAAP financial measure

NOL Summary

- ◆ Estimated net operating loss carry forwards (“NOLs”) of approximately \$378 million as of September 30, 2017, including \$142 million associated with amortization of personal goodwill
- ◆ Rights Agreement implemented to deter new 5% shareholders in order to prevent certain limitations on NOLs

NOL EXPIRATION SCHEDULE



Note: Assumes no change, limitation or usage of existing NOLs prior to expiration dates

IES Holdings, Inc.

Investor Presentation

February 6, 2018



Disclosures

Forward-Looking Statements

Certain statements in this document may be deemed "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, all of which are based upon various estimates and assumptions that the Company believes to be reasonable as of the date hereof. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "could," "should," "expect," "plan," "project," "intend," "anticipate," "believe," "seek," "estimate," "predict," "potential," "pursue," "target," "continue," the negative of such terms or other comparable terminology. These statements involve risks and uncertainties that could cause the Company's actual future outcomes to differ materially from those set forth in such statements. Such risks and uncertainties include, but are not limited to, the ability of our controlling shareholder to take action not aligned with other shareholders; the possibility that certain tax benefits of our net operating losses may be restricted or reduced in a change in ownership or a further change in the federal tax rate; the potential recognition of valuation allowances or further write-downs on net deferred tax assets; the inability to carry out plans and strategies as expected, including underperformance of our acquisitions or our inability to identify and complete acquisitions that meet our investment criteria in furtherance of our corporate strategy; competition in the industries in which we operate, both from third parties and former employees, which could result in the loss of one or more customers or lead to lower margins on new projects; fluctuations in operating activity due to downturns in levels of construction, seasonality and differing regional economic conditions; and our ability to successfully manage projects, as well as other risk factors discussed in this document, in the Company's annual report on Form 10-K for the year ended September 30, 2017 and in the Company's other reports on file with the SEC. You should understand that such risk factors could cause future outcomes to differ materially from those experienced previously or those expressed in such forward-looking statements. The Company undertakes no obligation to publicly update or revise any information, including information concerning its controlling shareholder, net operating losses, borrowing availability, or cash position, or any forward-looking statements to reflect events or circumstances that may arise after the date of this document. Forward-looking statements are provided in this press document pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995 and should be evaluated in the context of the estimates, assumptions, uncertainties, and risks described herein.

Non-GAAP Financial Measures and Other Adjustments

This document includes adjusted net income attributable to IES and, in the non-GAAP reconciliation table included herein, adjusted net income before taxes, both of which are financial measures not calculated in accordance with generally accepted accounting principles in the U.S. ("GAAP"). Management believes that these measures provide useful information to our investors by distinguishing certain noncash events such as our valuation allowances release and write-down of our net deferred tax assets and that these measures, when reconciled to net income attributable to IES, which is the most directly comparable GAAP measure, help our investors to better identify underlying trends in the operations of our business and facilitate easier comparisons of our financial performance with prior and future periods and to our peers. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information calculated in accordance with GAAP. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures. A reconciliation of these non-GAAP financial measures to GAAP results has been provided in the financial tables included in this document.

For further details on the Company's financial results, please refer to the Company's annual report on Form 10-K for the fiscal year ended September 30, 2017, to be filed with the Securities and Exchange Commission ("SEC") by December 8, 2017, and any amendments thereto.

General information about IES Holdings, Inc. can be found at <http://www.ies-co.com> under "Investors." The Company's annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, as well as any amendments to those reports, are available free of charge through the Company's website as soon as reasonably practicable after they are filed with, or furnished to, the SEC.

IES Holdings, Inc. (NASDAQ: IESC)

4
Segments

3,500+
Employees

84
Locations

\$75m+
Liquidity*

Revenue: \$811 million
Operating Income: \$20 million
Cash: \$28 million
NOLs**: \$378 million
Headquarters: Houston, TX



* Liquidity is defined as cash and cash equivalents plus availability under revolving credit facility

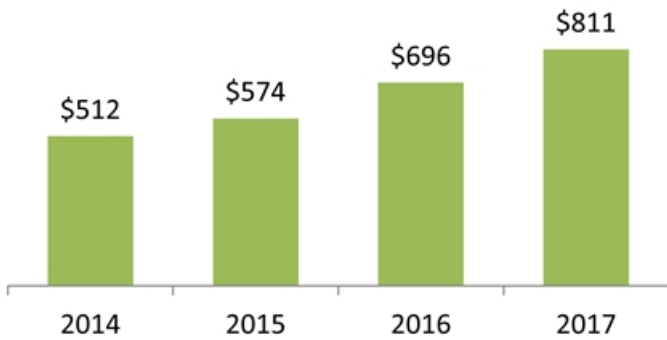
** The Company estimates that it has available Net Operating Loss Carryforwards (NOLs) for U.S. federal income tax purposes of approximately \$378 million at September 30, 2017, including approximately \$142 million resulting from the additional amortization of personal goodwill

Note: All information is provided as of September 30, 2017, unless otherwise noted

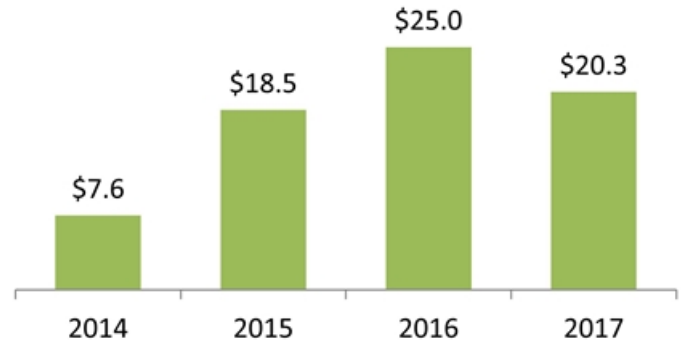
Financial Summary

Financial measures presented here are in millions, except for earnings per share or as otherwise noted, and reported for fiscal years

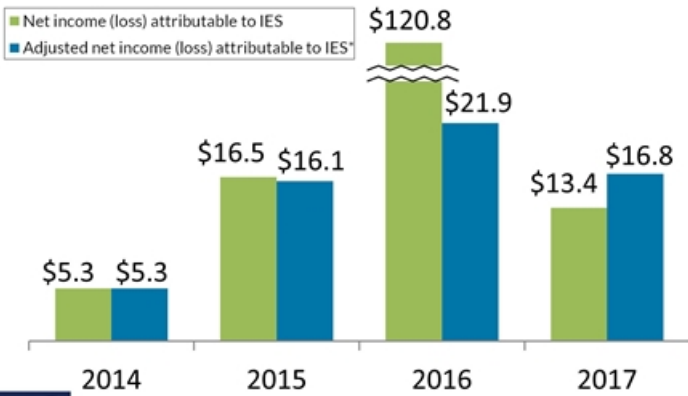
REVENUE



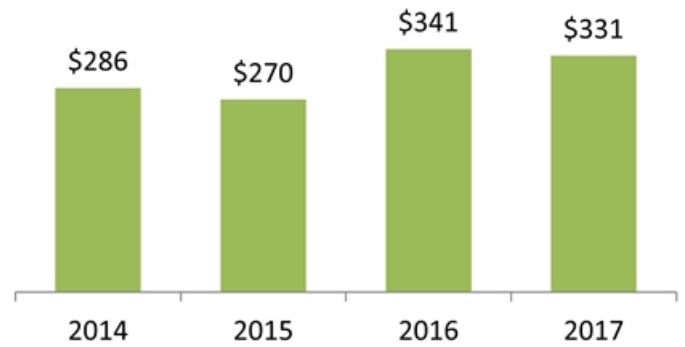
OPERATING INCOME



NET INCOME ATTRIBUTABLE TO IES



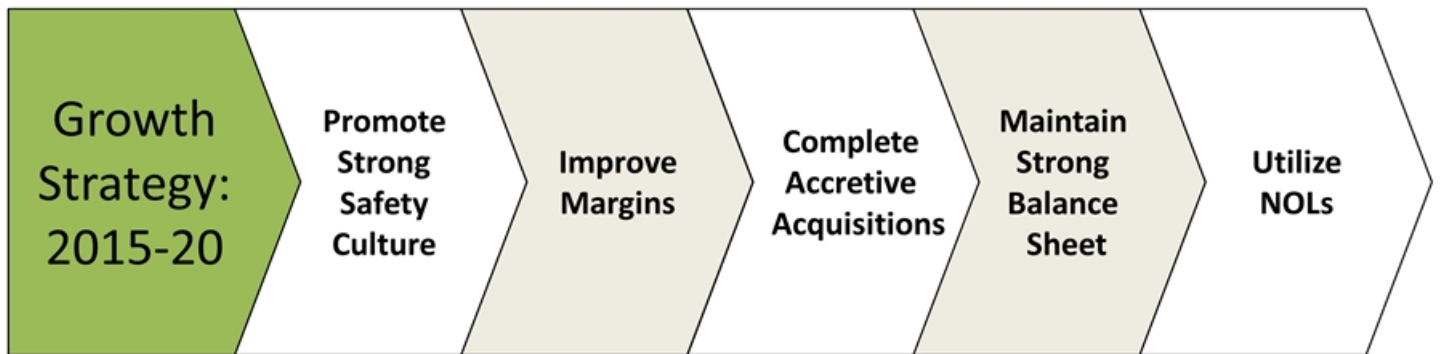
BACKLOG



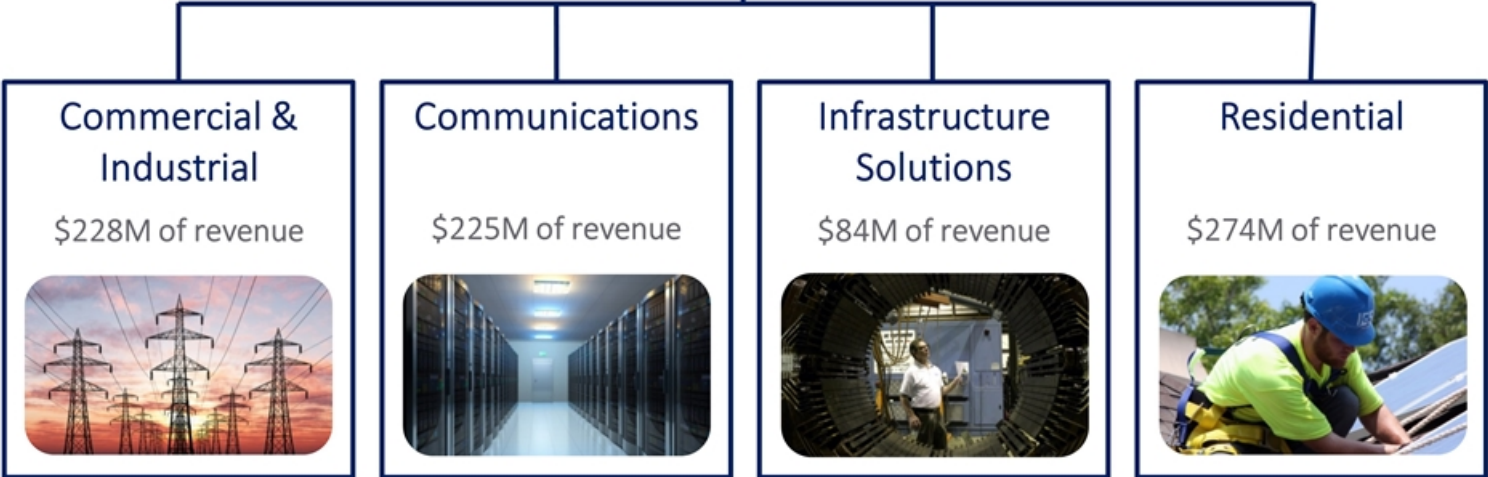
* Adjusted net income attributable to IES is a non-GAAP financial measure; see supplemental disclosure for reconciliation table

Holding Company Growth Strategy

- ◆ Focus segment growth and investments in core markets where we have expertise
- ◆ Manage risk through prudent project selection and market diversification
- ◆ Acquire or invest in stand-alone platform companies or acquire businesses that strategically fit within our existing business segments



Four Operating Segments



Note: revenue for fiscal year end 2017

Commercial & Industrial

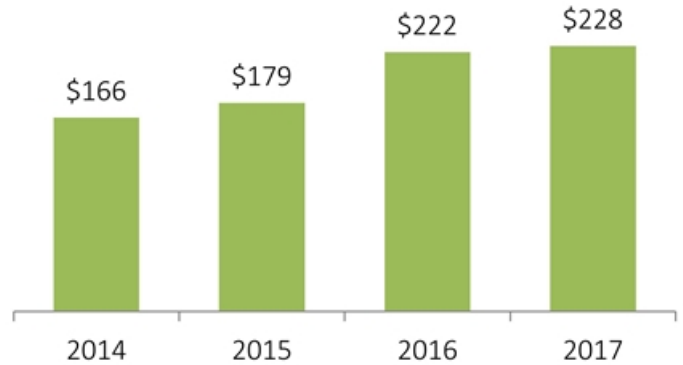
BUSINESS OVERVIEW

- Provider of electrical and mechanical (HVAC) design, construction, and maintenance services to the commercial and industrial markets
- Operate in various regional markets and nationwide in certain areas of expertise, such as the power infrastructure market

REPRESENTATIVE MARKETS

- Biological Research Facilities
- Chemical and Refining
- Data Centers
- Education
- Healthcare Facilities
- HVAC Services
- Manufacturing Facilities
- Municipal Infrastructure
- Office Buildings
- Wind Farms / Solar

REVENUE



GEOGRAPHIC COVERAGE



Commercial & Industrial: Each Market Drives Our Approach

Regional Locations	Service			Markets		
	Electrical Contracting	Mechanical Contracting	Mechanical Services	Regional	National	
Charlotte, NC			✓	✓		Acquired in 2016
Chesapeake, VA			✓	✓		Acquired in 2017
Greenville, SC	✓				✓	
Holdrege, NE	✓			✓	✓	
Lincoln, NE	✓	✓	✓	✓		Acquired in 2015
Milwaukee, WI	✓			✓		Acquired in 2017
Portland, OR	✓			✓		
San Antonio, TX	✓			✓		
Suffolk, VA	✓			✓		

Communications

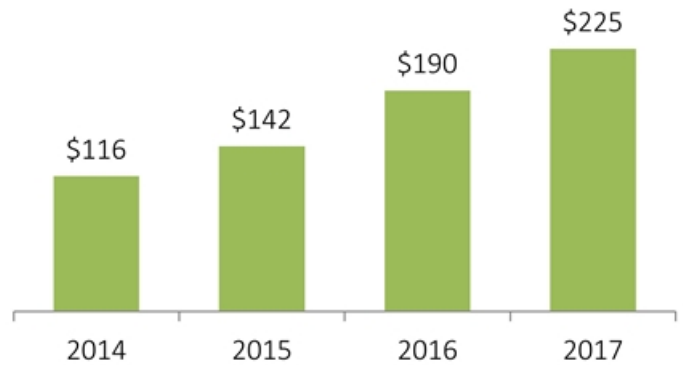
BUSINESS OVERVIEW

- Nationwide provider of technology infrastructure services
- Network infrastructure services for data centers and other mission critical environments
- Services include structured cabling, audio/visual, VOIP, DAS/WI-FI, fire, wireless access and intrusion alarm systems

REPRESENTATIVE MARKETS

- Data Centers
- Distribution
- Education
- Financial
- Healthcare Facilities
- High-Tech Manufacturing
- Hospitality
- Information Technology
- Office Buildings

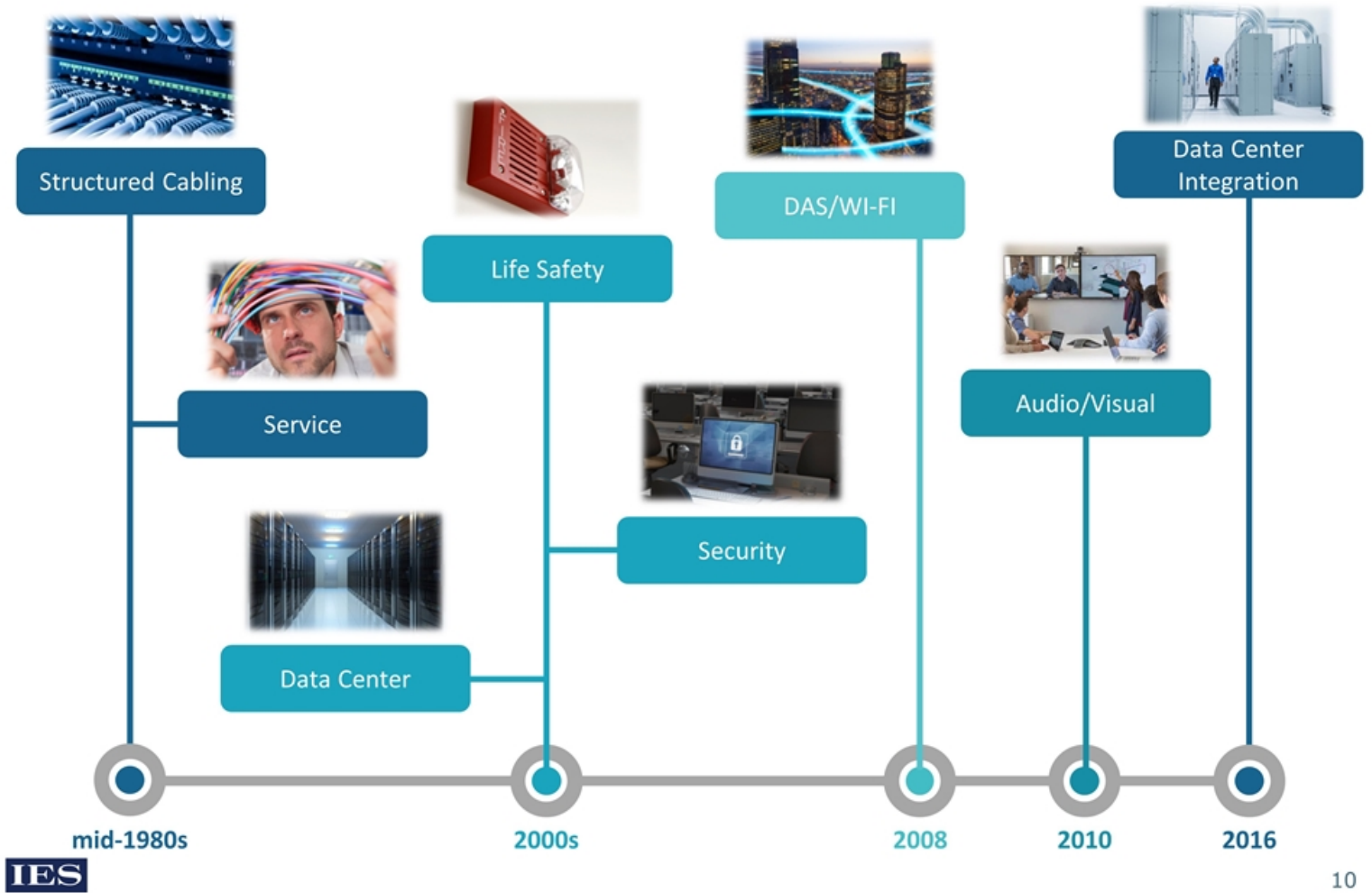
REVENUE



GEOGRAPHIC COVERAGE



Communications: Evolution of Service Offering



Infrastructure Solutions

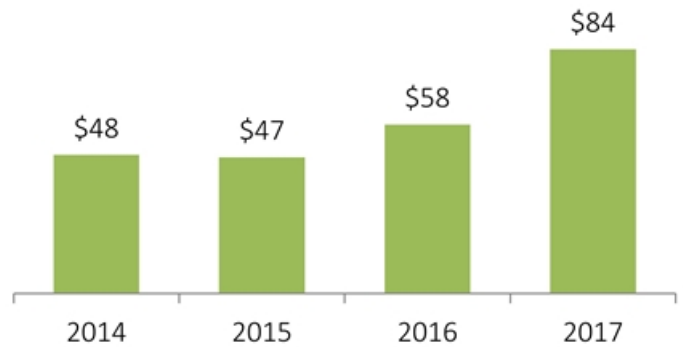
BUSINESS OVERVIEW

- Provider of electro-mechanical solutions for industrial operations
- Developing platform to capture customer spend from power source (i.e. bus duct & generator enclosures) to power usage (i.e. motor maintenance and magnets)

REPRESENTATIVE MARKETS

- | | |
|--------------------|------------------|
| • Data Center | • Pulp and Paper |
| • Manufacturing | • Railroad |
| • Marine | • Scrap Yards |
| • Mining | • Steel |
| • Petrochemical | • Utilities |
| • Power Generation | • Wind Energy |

REVENUE



GEOGRAPHIC COVERAGE

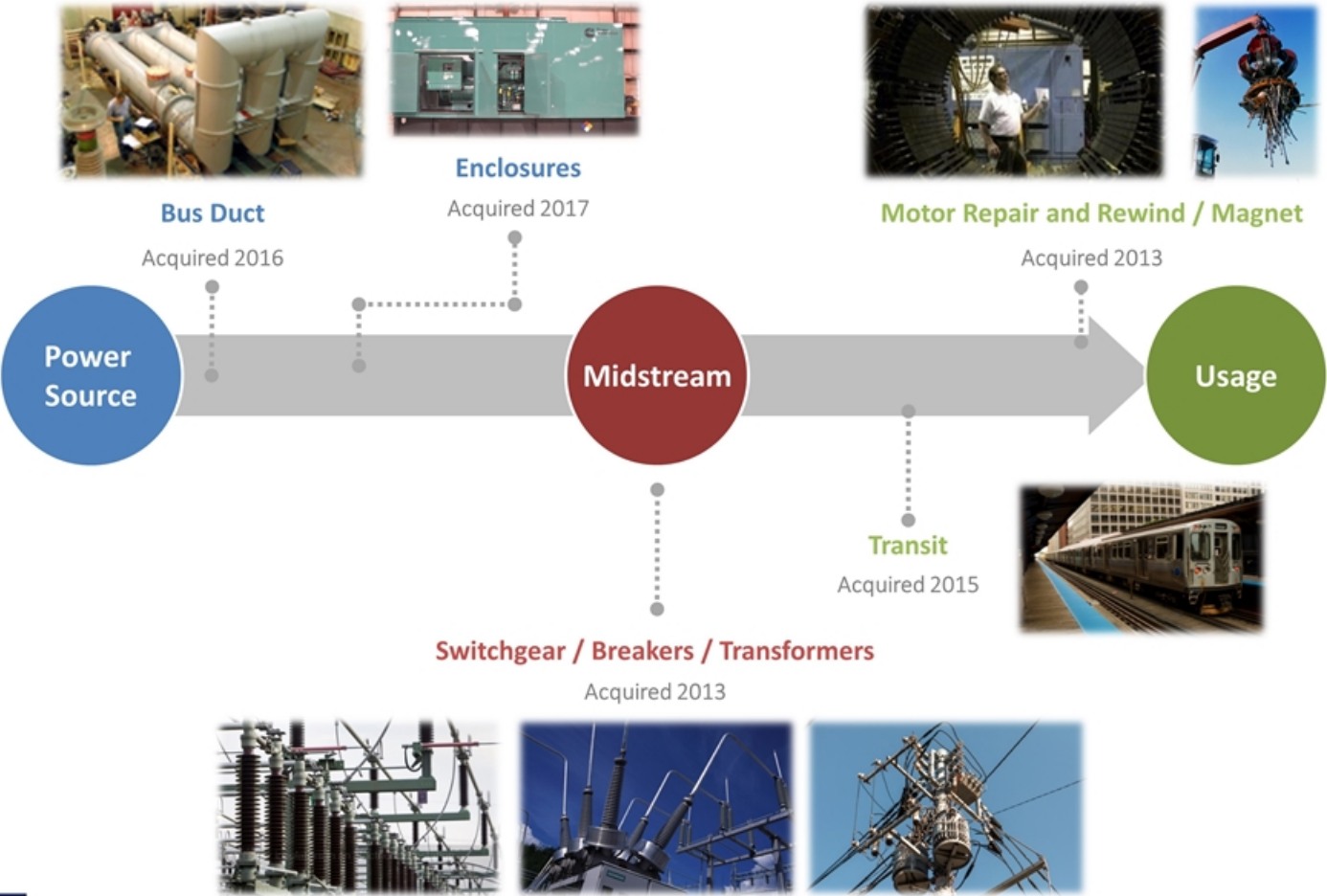


Infrastructure Solutions: Industrial & Electro-Mechanical Services

	Brands of Infrastructure Solutions:				
	Magnetech*	Southern Rewinding	Calumet	Technibus	Freeman
	Date Acquired: 2013	2015	2015	2016	2017
Services and Products Offered	Advanced Systems Fabrication			✓	✓
	Bus Duct Manufacturing			✓	
	Generator and Switchgear Enclosure Fabrication				✓
	Field Services	✓	✓	✓	✓
	Magnet Manufacturing & Repair	✓			
	Motor Repair & Rewind	✓	✓	✓	
	Switchgear Services	✓			
	Transformer Reconditioning	✓			
	Transit Motor Manufacturing & Repair	✓		✓	

* Magnetech was acquired with the acquisition of MISCOR Group, Ltd. in September 2013

Infrastructure Solutions: From Power Source to Power Usage



Residential

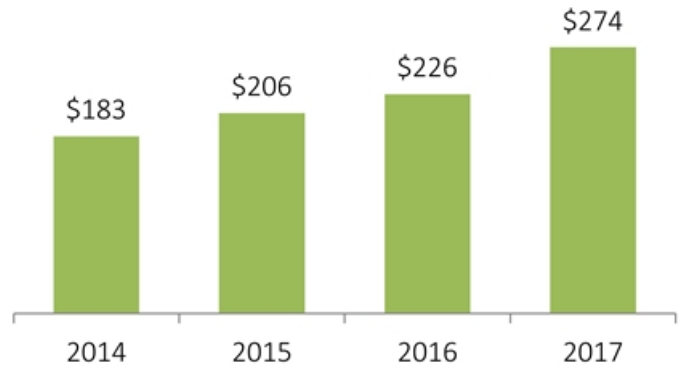
BUSINESS OVERVIEW

- Regional provider of electrical installation services for single-family (SF) housing and multi-family (MF) apartment complexes
- Cable television and solar panel installation

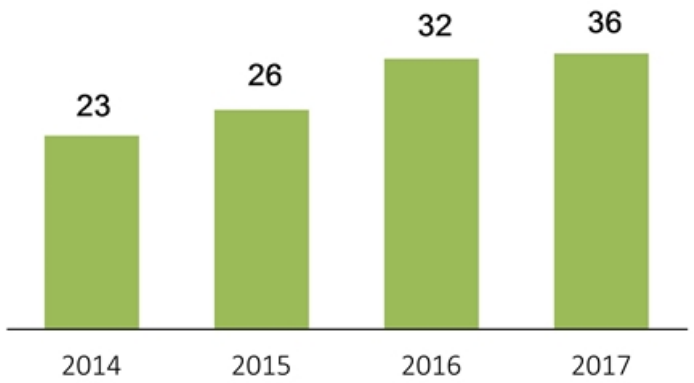
REPRESENTATIVE MARKETS

- Single Family Homes
- Multi-Family Homes
- Residential Solar Installation
- Cable Installation and Service
- Regional and National Builders

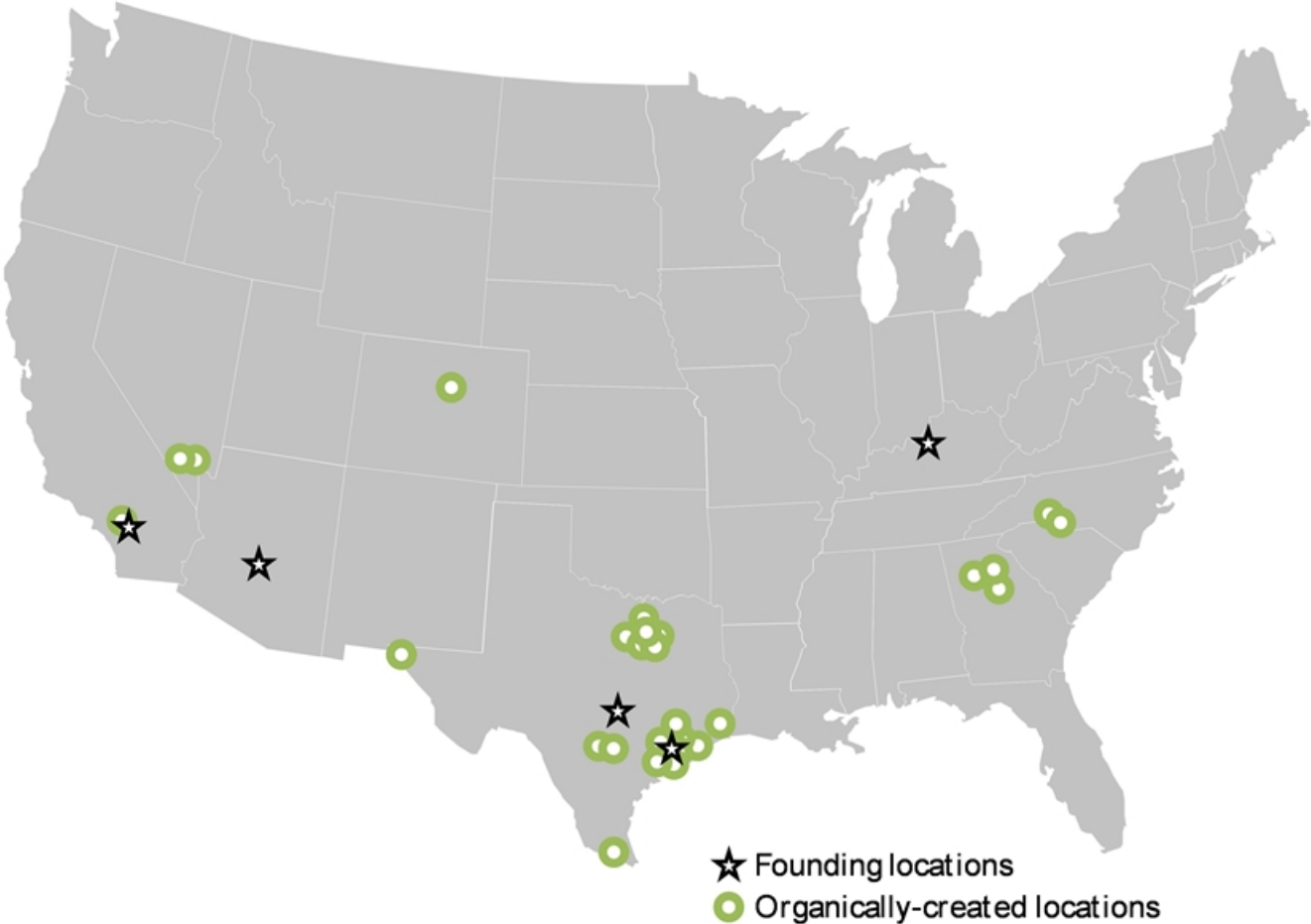
REVENUE













BRANCHES









Residential: Branch Model Drives Growth



Overview of Recent Acquisitions

Company	Closed Date	Business Description	Acquisition Fit	IES Segment	
 NEXT Electric	July 2017	Electrical contractor (Milwaukee, WI)	<ul style="list-style-type: none"> ◆ Strong management team ◆ New geography 	Commercial & Industrial	
 Technical Services	June 2017	Mechanical (HVAC) services (Chesapeake, VA)	<ul style="list-style-type: none"> ◆ Add-on to STR Mechanical ◆ Expands mechanical services offering and geographic reach 	Commercial & Industrial (STR Mechanical)	
 Freeman Enclosure Systems	March 2017	Fabrication of custom generator enclosures (Cincinnati, OH)	<ul style="list-style-type: none"> ◆ Strong engineering and manufacturing capabilities ◆ Adds to suite of custom-engineered products 	Infrastructure Solutions	
 Technibus, Inc.	June 2016	Manufactures Isolated Phase, Non-Segregated, and Segregated Bus Duct (Canton, OH)	<ul style="list-style-type: none"> ◆ Expand Infrastructure Solutions business into power industry and field services ◆ Highly engineered, custom products 	Infrastructure Solutions	
 STR Mechanical	April 2016	Mechanical (HVAC) services (Charlotte, NC)	<ul style="list-style-type: none"> ◆ Service focus ◆ Industry veteran 	Commercial & Industrial	

Overview of Recent Acquisitions (continued)

Company	Closed Date	Business Description	Acquisition Fit	IES Segment
 Shanahan Mechanical & Electric	November 2015	Mechanical (HVAC) and electrical contractor (Lincoln, NE)	<ul style="list-style-type: none"> ◆ Mechanical contracting expertise ◆ Foothold in Lincoln, NE ◆ Stable customer base 	Commercial & Industrial 
 Calumet Armature	October 2015	Manufacturer of transit armatures; Motor repair services (Riverdale, IL)	<ul style="list-style-type: none"> ◆ Loyal customer base ◆ Transit industry expertise 	Infrastructure Solutions 
 Southern Rewinding <small>A Magnetech Company</small>	May 2015	Motor repair and services (Columbus, GA)	<ul style="list-style-type: none"> ◆ Diverse customer base ◆ Strategically located 	Infrastructure Solutions 

FINANCIAL SUMMARY



Income Statement

(in millions, except earnings per share)	Fiscal Year Ending September 30,			
	2014	2015	2016	2017
Revenue	\$512.4	\$573.9	\$696.0	\$810.7
Income from operations	7.6	18.5	25.0	20.3
Interest expense & other	1.4	1.0	1.2	1.5
Income from operations before income taxes	\$6.3	\$17.5	\$23.8	\$18.8
Provision (benefit) for income taxes	0.7	0.7	(97.1)	5.2
Loss from discontinued operations	(0.2)	(0.3)	-	-
Net income attributable to noncontrolling interest	-	-	(0.1)	(0.2)
Net income attributable to IES Holdings, Inc.	\$5.3	\$16.5	\$120.8	\$13.4
<i>Adjusted net income attributable to IES Holdings, Inc. ⁽¹⁾</i>	<i>\$5.3</i>	<i>\$16.1</i>	<i>\$21.9</i>	<i>\$16.8</i>
Earnings per share attributable to IES				
Holdings, Inc. - continuing operations	\$0.30	\$0.79	\$5.62	\$0.62
Diluted shares used to calculate earnings per share	18.5	21.5	21.5	21.5

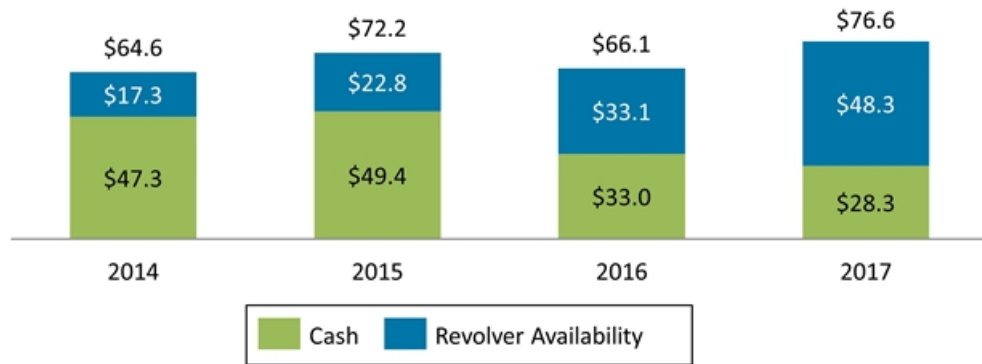
⁽¹⁾ Adjusted net income attributable to IES Holdings, Inc. is a non-GAAP financial measure; see reconciliation table

Select Balance Sheet Data

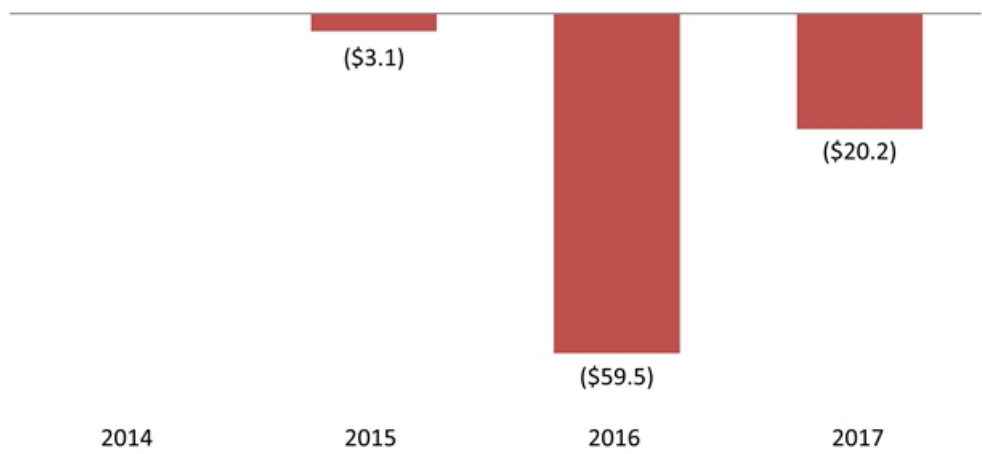
(in millions)	Fiscal Year Ending September 30,			
	2014	2015	2016	2017
Cash	\$47.3	\$49.4	\$33.2	\$28.3
Current Assets	120.6	139.7	176.5	203.5
Deferred Tax Assets	-	-	93.5	86.2
Non-Current Assets	32.0	36.6	91.1	106.5
Total Assets	\$200.0	\$225.7	\$394.3	\$424.5
Current Liabilities	\$95.9	\$108.1	\$133.1	\$150.6
Other Liabilities	7.0	7.0	6.8	4.5
Debt	9.1	9.2	29.3	29.4
Total Liabilities	\$112.0	\$124.3	\$169.1	\$184.5
Noncontrolling Interest	-	-	1.8	3.3
Equity	88.0	101.4	223.4	236.7
Total Liabilities & Equity	\$200.0	\$225.7	\$394.3	\$424.5

Liquidity Remains Strong Even After Recent Acquisitions

Total Liquidity



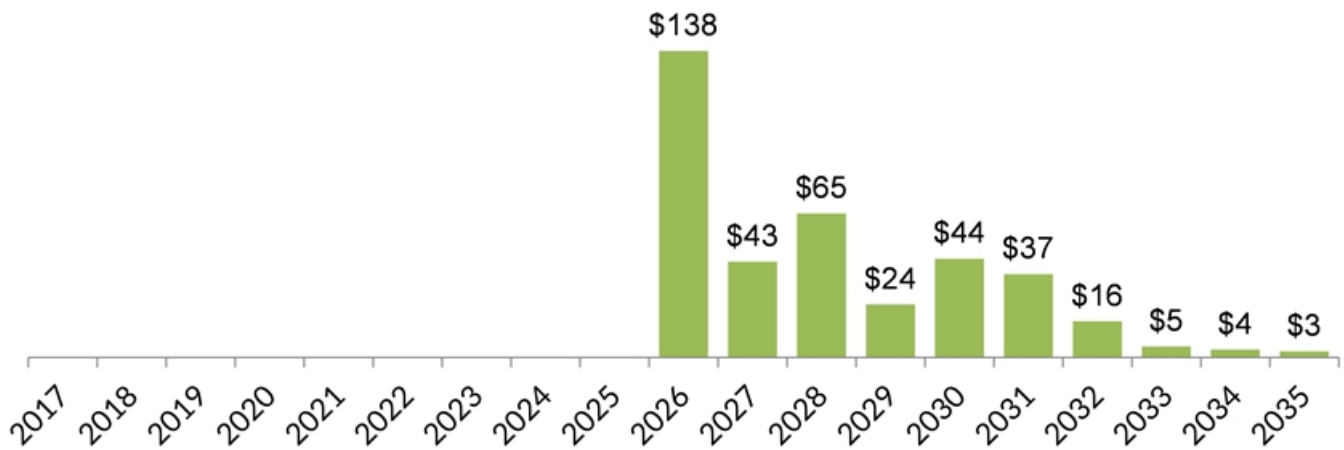
Cash Paid in Business Combinations



NOL Summary

- ◆ Estimated net operating loss carry forwards (“NOLs”) of approximately \$378 million as of September 30, 2017, including \$142 million associated with amortization of personal goodwill
- ◆ Rights Agreement implemented to deter new 5% shareholders in order to prevent certain limitations on NOLs

NOL EXPIRATION SCHEDULE



Note: Assumes no change, limitation or usage of existing NOLs prior to expiration dates

Non-GAAP Reconciliation of Adjusted Net Income Attributable To IES Holdings, Inc.

(in millions)	Fiscal Year Ending September 30,			
	2014	2015	2016	2017
Net income attributable to IES Holdings, Inc.	\$5.3	\$16.5	\$120.8	\$13.4
Provision (benefit) for income taxes	0.7	0.7	(97.1)	5.2
Adjusted net income before taxes	\$6.1	\$17.2	\$23.7	\$18.6
Current tax expense ⁽¹⁾	(0.7)	(1.1)	(1.7)	(1.8)
Adjusted net income attributable to IES Holdings, Inc. ⁽²⁾	\$5.3	\$16.1	\$21.9	\$16.8

⁽¹⁾ Represents the tax expense for the current period which will be paid in cash, and not offset by the utilization of deferred tax assets

⁽²⁾ Adjusted net income attributable to IES Holdings, Inc. is a non-GAAP financial measure