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): December 7, 2023

IES Holdings, Inc.

Delaware	001-13783	76-0542208
(State or other jurisdiction of incorporation)	(Commission file number)	(I.R.S. Employer Identification No.)

2 Riverway, Suite 1730, Houston, Texas 77056
(Address of principal executive offices and zip code)

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

Check the appropriate box below if the From 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions 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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value $0.01 per share	IESC	NASDAQ Global Market

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 December 7, 2023, IES Holdings, Inc. (the “Company”) issued a press release announcing its results of operations for the fiscal 2023 fourth quarter. A copy of the press release is furnished with this report as Exhibit 99.1.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Officer Appointment

On December 7, 2023, the Company announced the promotion of Matthew J. Simmes, the Company’s Chief Operating Officer, to the position of President, effective as of December 7, 2023. As President and Chief Operating Officer, Mr. Simmes will continue to manage the operations of all four of the Company’s operating segments, reporting directly to Jeffrey L. Gendell, the Company's Chairman and Chief Executive Officer.

Information regarding Mr. Simmes’ background, business experience and compensation is incorporated by reference from the definitive proxy statement on Schedule 14A for the Company’s 2023 Annual Meeting of Stockholders, which was filed with the U.S. Securities and Exchange Commission on January 9, 2023.

In connection with his promotion, the Human Resources and Compensation Committee (the “Compensation Committee”) of the Company’s Board of Directors granted Mr. Simmes an equity incentive award of 25,000 time-based phantom stock units that are scheduled to vest on or about December 7, 2026, under the Company’s Amended and Restated 2006 Equity Incentive Plan, pursuant to an award agreement, the form of which is attached hereto as Exhibit 10.1 and incorporated herein by reference (the “Award Agreement”).

Executive Officer Compensation

On November 30, 2023, the Compensation Committee approved special bonuses to be paid to each of the Company’s executive officers in recognition of their efforts with respect to the reorganization of the Company’s Residential segment during the fiscal year ended September 30, 2023. Mr. Gendell was awarded a special bonus of $100,000. Mr. Simmes was awarded a special bonus of $400,000 and a grant of time-based phantom stock units with a grant date fair value of $400,000 that are scheduled to vest on or about December 7, 2026, pursuant to an Award Agreement. Tracy McLauchlin, Senior Vice President, Chief Financial Officer and Treasurer was awarded a special bonus of $100,000. Mary Newman, Vice President, General Counsel and Corporate Secretary was awarded a special bonus of $75,000.

Item 7.01 Regulation FD Disclosure.

On December 7, 2023, the Company posted to its website, www.ies-co.com, under the Investor Relations section, a presentation with the title “IES Holdings Q4 2023 Earnings Presentation.” The presentation will remain on the Company’s website for a period of at least thirty days. The Company also issued a press release on December 7, 2023 announcing the officer appointment described under 5.02 above. The press release is furnished herewith as Exhibit 99.2.

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.

Exhibit Number		Description
10.1	—	Form of Time-Based Phantom Stock Unit Award Agreement under the Company's Amended and Restated 2006 Equity incentive Plan, as amended and restated effective February 9, 2016
99.1	—	Press release dated December 7, 2023 announcing results of operations.
99.2	—	Press release dated December 7, 2023 announcing officer appointment
104	—	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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.

Date: December 7, 2023

/s/ Mary K. Newman
Mary K. Newman
General Counsel and Corporate Secretary

IES HOLDINGS, INC.
AMENDED AND RESTATED 2006 EQUITY INCENTIVE PLAN
FORM PHANTOM STOCK UNIT AWARD AGREEMENT (TIME-BASED)

THIS PHANTOM STOCK UNIT AWARD AGREEMENT (this "**Agreement**") is made and entered into as of [ ] (the "**Grant Date**") by and between IES Holdings, Inc., a Delaware corporation (the "**Company**"), and [ ] (the "**Participant**") pursuant to the terms and conditions of the Company's Amended and Restated 2006 Equity Incentive Plan dated as of February 9, 2016 (the "**Plan**"), in respect of [ ] Phantom Stock Units. All capitalized terms not defined herein without a separate definition shall have the meaning set forth in the Plan.

Section 1. **Phantom Stock Unit Award**. This Agreement governs an Award of Phantom Stock Units pursuant to the Plan. Each Phantom Stock Unit represents a contractual right in respect of one share of Stock, subject to the satisfaction in full of the service conditions specified herein and the other terms and conditions set forth in this Agreement. The Participant is granted the number of time-vesting Phantom Stock Units set forth above (the "**Time-Vesting Phantom Stock Units**").

Section 2. **Time-Vesting Phantom Stock Units**. Subject to the service requirement set forth in Section 3, the Time-Vesting Phantom Stock Units shall vest on [ ] (the "**Scheduled Vesting Date**") and payment in respect of the Time-Vesting Phantom Stock Units that become vested on the Scheduled Vesting Date shall be made within 30 days following the Scheduled Vesting Date.

Section 3. **Service Vesting Requirement**. Except as otherwise expressly specified below, the Participant shall vest in the Time-Vesting Phantom Stock Units only if the Participant remains continuously employed by the Company or any majority-owned subsidiary thereof from the Grant Date until the Scheduled Vesting Date. Except as otherwise provided in this Agreement, if the Participant does not remain continuously employed by the Company or any majority-owned subsidiary thereof from the date hereof until the Scheduled Vesting Date, all of the unvested Time-Vesting Phantom Stock Units subject to this Award shall be immediately forfeited for no consideration and the Participant's rights with respect thereto shall cease upon termination of the Participant's employment.

Notwithstanding the foregoing, if the Participant's employment terminates prior to the Scheduled Vesting Date (i) due to the Participant's death, (ii) due to the Participant's Disability, (iii) by the Company without Cause, or (iv) by the Participant for Good Reason, the Participant shall be deemed to have become vested in a pro-rated portion of the Phantom Stock Units awarded hereunder (based on the pro-rating formula below), without regard to the actual achievement of the service condition under this Section 3.

The pro-rated portion of any Time-Vesting Phantom Stock Units awarded hereunder shall be determined as follows: the number of Time-Vesting Phantom Stock Units multiplied by a fraction (a) the numerator of which is the number of days of the Participant's service from and including the Grant Date through the date of termination of employment; and (b) the denominator of which is the total number of days from and including the Grant Date through the Scheduled Vesting Date.

For purposes of this Agreement,

"**Cause**" means (i) the Participant's gross negligence in the performance or intentional nonperformance of any of the Participant's material duties and responsibilities to the Company or any of its affiliates; (ii) the Participant's dishonesty, theft, embezzlement or fraud with respect to the business, property, reputation or affairs of the Company or any of its affiliates, (iii) the Participant's conviction of, or a plea of other than not guilty to, a felony or a misdemeanor involving moral turpitude; (iv) the Participant's confirmed drug or alcohol abuse that materially affects the Participant's service or violates the Company's drug or alcohol abuse policy; (v) the Participant's violation of a material Company personnel or similar policy, such policy having been made available to the Participant; or (vi) the Participant's having committed any material violation of any federal or state law regulating securities (without having relied on the advice of the Company's attorney) or having been the subject of any final order, judicial or administrative, obtained or issued by the Securities and Exchange Commission, for any securities violation involving fraud, including, without limitation, any such order consented to by the Participant in which findings of facts or any legal conclusions establishing liability are neither admitted nor denied.

"**Good Reason**" shall mean the voluntary termination of the Participant's employment because of the occurrence of any of the following without the Participant's written consent: (i) a material reduction in the Participant's duties and responsibilities; (ii) a material reduction in the Participant's annual rate of base cash compensation; or (iii) following a Change in Control, a change in the location of the Participant's principal place of employment to a location more than 50 miles from that in effect immediately prior to the Change in Control. No event or condition described in the foregoing shall constitute Good Reason unless, (x) within 30 days from the Participant first acquiring actual knowledge of the existence of the Good Reason condition, the Participant provides the Company written notice of the Participant's intention to terminate the Participant's employment for Good Reason and the grounds for such termination; (y) such grounds for termination (if susceptible to correction) are not corrected by the Company within 30 days of the Company's receipt of such notice (or, in the event that such grounds cannot be corrected within such 30-day period, the Company has not taken all reasonable steps within such 30-day period to correct such grounds as promptly as practicable thereafter); and (z) the Participant terminates the Participant's employment with the Company immediately following expiration of such 30-day period. Any attempt by the Company to correct a stated Good Reason shall not be deemed an admission by the Company that the Participant's assertion of Good Reason is valid.

Notwithstanding the foregoing and anything in this Agreement or the Plan to the contrary, if the Participant is a participant in any Company severance plan (the "**Severance Plan**"), the Severance Plan shall govern the treatment of unvested Phantom Stock Units if the Participant's employment is terminated prior to the Scheduled Vesting Date due to the Participant's (i) death, (ii) Disability (as defined in the Severance Plan), or (iii) Qualifying Termination (as defined in the Severance Plan).

Section 4. **Effect of a Change in Control**. Notwithstanding the provisions of Section 3 hereof, or in any other benefit plan or agreement to the contrary, this Section 4 shall apply to determine the vesting of the unvested Phantom Stock Units immediately following the occurrence of a Change in Control prior to a Vesting Date.

If, immediately following the occurrence of the Change in Control, the value of the Time-Vesting Phantom Stock Units is determined by reference to a class of stock that is publicly traded on an established U.S. securities market (a "**Publicly Traded Stock**"), including by reason of an adjustment pursuant to Section 6 or the assumption of this Award by the corporation surviving any merger or other corporate transaction or the publicly traded parent corporation thereof (the "**Successor Corporation**"), the Participant's rights with respect to the Time-Vesting Phantom Stock Units shall become vested subject only to satisfaction of the service conditions specified in Section 3.

If the value of the unvested Time-Vesting Phantom Stock Units is not determined by reference to a Publicly Traded Stock immediately following the occurrence of the Change in Control, whether because the Successor Corporation does not have Publicly Traded Stock or determines not to assume this Award, the unvested Time-Vesting Phantom Stock Units subject to this Award shall vest in full upon the occurrence of such Change in Control.

Any Time-Vesting Phantom Stock Units that become vested pursuant to this Section 4 shall be payable in accordance with Section 5 hereof; provided that, notwithstanding the foregoing and anything in this Agreement or the Plan to the contrary, if the Participant is a participant in a Severance Plan at the time he or she experiences a Qualifying Termination (as defined in the Severance Plan) upon the occurrence of a Change in Control prior to the Scheduled Vesting Date, the terms of the Severance Plan shall apply to any vesting of this Award.

Notwithstanding the foregoing, in any circumstance or transaction in which compensation payable pursuant to this Agreement would be deemed to be deferred compensation under Section 409A (as defined below), then "**Change in Control**" means, but only to the extent necessary to prevent such compensation from becoming subject to adverse tax consequences under Section 409A, a transaction or circumstance that satisfies the requirements of both (1) a Change in Control as defined in the Plan, and (2) a “change in control event” within the meaning of Treasury Regulation § 1.409A-3(i)(5).

Section 5. **Settlement**. Unless the Committee shall direct that the Company settle any Time-Vesting Phantom Stock Units that become payable following the occurrence of a Change in Control in cash, the Time-Vesting Phantom Stock Units shall be settled in Shares (or any other equity to which the Time-Vesting Phantom Stock Units relate by reason of an adjustment pursuant to Section 6 or an assumption of this Award by a Successor Corporation). If the Committee determines to settle such Time-Vesting Phantom Stock Units in cash, the amount of cash payable shall be based upon the Fair Market Value of a share of Stock (or any other equity to which the Time-Vesting Phantom Stock Units relate by reason of an adjustment pursuant to Section 6) on the date the Phantom Stock Units vest. Any payment made in settlement of Time-Vesting Phantom Stock Units shall be subject to any and all applicable tax withholding requirements, which may be effected from any shares issuable in respect thereof by withholding therefrom the greatest number of whole shares having a Fair Market Value equal to the maximum amount that may be withheld by law.

Section 6. **Adjustments for Corporate Transactions**. In the event that there shall occur any Recapitalization the number of (and, if applicable, securities related to) the Phantom Stock Units shall be adjusted by the Committee in such manner as the Committee determines is necessary or appropriate to prevent any enhancement or diminution of the Participant’s rights and opportunities hereunder. To the extent that the Phantom Stock Units awarded herein shall be deemed to relate to a different number of Shares or different securities as a result of any such adjustment, such additional number of shares or other securities shall be subject to the restrictions of the Plan and this Agreement and the vesting conditions specified herein.

Section 7. **Tax Withholding**. To the extent this Award results in compensation income to the Participant upon grant or vesting, the Participant must deliver to the Company at that time such amount of money as the Company may require to meet its tax withholding obligations under applicable laws or make such other arrangements to satisfy such withholding obligations as the Company, in its sole discretion, may approve; provided, however, that unless the Participant otherwise requests in writing or the Committee shall otherwise determine, the Company shall instead withhold or “net” from the Shares otherwise to be issued to the Participant the greatest number of whole Shares having a Fair Market Value not in excess of the lesser of (i) the Company’s tax withholding obligations and (ii) the maximum amount that may be withheld from such payment without the Company having to apply liability accounting for financial accounting purposes.

Section 8. **Modification**. Except to the extent permitted by the Plan, any modification of this Agreement will be effective only if it is in writing and signed by each party whose rights hereunder are affected thereby.

Section 9. **Golden Parachute Excise Tax**. Notwithstanding anything in this Agreement to the contrary, if the Participant is a “disqualified individual” (as defined in Section 280G(c) of the Code), and the payments and benefits to be provided to the Participant under this Agreement, together with any other payments and benefits to which the Participant has the right to receive from the Company or any other person, would constitute a “parachute payment” (as defined in Section 280G(b)(2) of the Code) (collectively, “**Participant’s Parachute Payment**”), then the Participant’s Parachute Payments (a) shall be reduced (but not below zero) by the minimum amount necessary so that no portion of the amounts to be received will be subject to the excise tax imposed by Section 4999 of the Code or (b) shall be paid in full, whichever of (a) and (b) produces the better “net after-tax” benefit to the Participant (taking into account all applicable taxes, including any excise tax imposed under Section 4999 of the Code). To the extent that the Participant is party to any arrangement with the Company that provides for the payment of cash severance benefits, the benefits payable thereunder shall be reduced (but not below zero) in accordance with the provisions of such arrangement prior to any reduction in the benefits payable hereunder. The determination as to whether any such reduction in the amount of the payments and benefits provided hereunder is necessary shall be made by the Company in good faith.

Section 10. **Restrictions on Transfer**. Neither this Award nor any Phantom Stock Units covered hereby may be sold, assigned, transferred, encumbered, hypothecated or pledged by the

Participant, other than to the Company as a result of forfeiture of the Phantom Stock Units as provided herein.

Section 11. **No Shareholder Rights**. The Phantom Stock Units granted pursuant to this Award, whether or not vested, will not confer upon the Participant any rights as a shareholder, including, without limitation, the right to receive or to be credited with any dividends or dividend equivalents or to vote any Shares, unless and until the Award is paid in Shares in accordance with the terms hereof. Nothing in this Section 11 shall be construed to override the right of a Participant to have the number of Phantom Stock Units adjusted in accordance with the provisions of Section 6 hereof.

Section 12. **Award Subject to Plan**. This Award of Phantom Stock Units is subject to the terms of the Plan, the terms and provisions of which are hereby incorporated by reference. Unless otherwise expressly provided herein, nothing in this Agreement shall be construed to limit any authority afforded to the Committee pursuant to the terms of the Plan. In the event of a conflict or ambiguity between any term or provision contained herein and a term or provision of the Plan, the Plan will govern and prevail.

Section 13. **No Right of Employment**. Nothing in this Agreement shall confer upon the Participant any right to continue as an employee of, or other service provider to, the Company or any of its subsidiaries, nor interfere in any way with the right of Company or any such subsidiary to terminate the Participant's employment or other service at any time or to change the terms and conditions of such employment or other service.

Section 14. **No Guarantee of Tax Consequences**. None of the Board, the Committee, the Company or any affiliate of any of the foregoing makes any commitment or guarantee that any federal, state, local or other tax treatment will (or will not) apply or be available to the Participant (or to any person claiming through or on behalf of the Participant) and shall have no liability or responsibility with respect to taxes (and penalties and interest thereon) imposed on the Participant (or on any person claiming through or on behalf of the Participant) as a result of this Agreement.

Section 15. **Section 409A**. Notwithstanding the other provisions hereof, this Agreement is intended to comply with or otherwise be exempt from the requirements of Section 409A of the Code and the regulations and administrative guidance promulgated thereunder ("**Section 409A**"), to the extent applicable, and this Agreement shall be interpreted to avoid any taxes or penalty sanctions under Section 409A. Accordingly, all provisions herein, or incorporated by reference, shall be construed and interpreted to comply with or otherwise be exempt from Section 409A. All payments to be made upon a termination of the Participant's employment under this Agreement that constitute deferred compensation for purposes of Section 409A may only be made upon a "separation from service" under Section 409A. For purposes of Section 409A, each payment made under this Agreement shall be treated as a separate payment. Any amount payable to the Participant pursuant to this Agreement during the six (6) month period immediately following the date of the Participant's termination of employment that is not otherwise exempt from Section 409A, then such amount shall hereinafter be referred to as the "**Excess Amount**." If at the time of the Participant's separation from service, the Company's (or any entity required to be aggregated with the Company under Section 409A) stock is publicly-traded on an established securities market or otherwise and the Participant is a "specified employee" (as defined in Section 409A), then the Company shall postpone the commencement of the payment of Excess Amount for six (6) months following the date of the Participant's termination of employment. The delayed Excess Amount shall be paid in a lump sum to the Participant on the Company's first normal payroll date following the date that is six (6) months following the date of the Participant's termination of employment. If the Participant dies during such six (6) month period and prior to the payment of the portion of the Excess Amount that is required to be delayed on account of Section 409A, such Excess Amount shall be paid to the Participant's estate within sixty (60) days after the Participant's death.

Section 16. **Clawback**. Notwithstanding any other provisions in the Plan or this Agreement, any compensation payable pursuant to this Agreement that is subject to recovery under the Company's Incentive Award Recoupment Policy, as amended from time to time, or any law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such Incentive Award Recoupment Policy, law, government regulation or stock exchange listing requirement (or any other policy adopted by the Company pursuant to any such law, government regulation or stock exchange listing requirement).

Section 17. **Data Privacy**. The Participant expressly authorizes and consents to the collection, possession, use, retention and transfer of personal data of the Participant, whether in electronic or other form, by and among Company, its Affiliates, third-party administrator(s) and other possible recipients, in each case for the exclusive purpose of implementing, administering, facilitating and/or managing the Participant's Awards under, and participation in, the Plan. Such personal data may include, without limitation, the Participant's name, home address and telephone number, date of birth, Social Security Number, social insurance number or other identification number, salary, nationality, job title and other job-related information, tax information, the number of Company shares held or sold by the Participant, and the details of all Awards (including any information contained in this Award and all Award-related materials) granted to the Participant, whether exercised, unexercised, vested, unvested, cancelled or outstanding.

Section 18. **Entire Agreement**. This Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. They supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) which relate to the subject matter hereof. No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other or subsequent breach or condition whether of like or different nature

Section 19. **Successors and Assigns**. The provisions of this Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns and upon the Participant, the Participant's assigns and the legal representatives, heirs and legatees of the Participant's estate, whether or not any such person shall have become a party to this Agreement and have agreed in writing to be joined herein and be bound by the terms hereof.

Section 20. **Severability**. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each provision of this Agreement shall be severable and enforceable to the extent permitted by law.

Section 21. **Counterparts**. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

Section 22. **Governing Law**. This Agreement shall be construed and enforced in accordance with the laws of the State of Delaware, without giving effect to the choice of law principles thereof.

[SIGNATURES ON NEXT PAGE]

By signing below, the Participant accepts this Award, and acknowledges and agrees that this Award of Phantom Stock Units is granted under and governed by the terms and conditions of the Plan and this Agreement.

PARTICIPANT: **IES HOLDINGS, INC.:**

FOR IMMEDIATE RELEASE **EXHIBIT 99.1**

IES Holdings Reports Fiscal 2023 Fourth Quarter and Full Year Results

HOUSTON — December 7, 2023 — IES Holdings, Inc. (or "IES" or the "Company") (NASDAQ: IESC) today announced financial results for the quarter and fiscal year ended September 30, 2023.

Fourth Quarter 2023 Highlights

- Revenue of $649 million for the fourth quarter of fiscal 2023, an increase of 5% compared with $617 million for the same quarter of fiscal 2022
- Operating income of $53.2 million for the fourth quarter of fiscal 2023, an increase of 112% compared with $25.0 million for the same quarter of fiscal 2022
- Net income attributable to IES of $37.8 million for the fourth quarter of fiscal 2023, an increase of 133% compared with $16.2 million for the same quarter of fiscal 2022, and diluted earnings per share attributable to common stockholders of $1.66 for the fourth quarter of fiscal 2023, compared with $0.72 for the same quarter of fiscal 2022
- Adjusted net income attributable to IES (a non-GAAP financial measure, as defined below) of $39.5 million for the fourth quarter of fiscal 2023, an increase of 89% compared with $20.9 million for the same quarter of fiscal 2022, and diluted adjusted earnings per share attributable to common stockholders of $1.74 for the fourth quarter of fiscal 2023, compared with $0.95 for the same quarter of fiscal 2022
- Remaining performance obligations, a GAAP measure of future revenue to be recognized from current contracts with customers, of approximately $1.1 billion as of September 30, 2023
- Backlog (a non-GAAP financial measure, as defined below) of approximately $1.6 billion as of September 30, 2023

Fiscal Year 2023 Highlights

- Revenue of $2.4 billion for fiscal 2023, an increase of 10% compared with $2.2 billion for fiscal 2022
- Operating income of $159.8 million for fiscal 2023, an increase of 185% compared with $56.0 million for fiscal 2022
- Net income attributable to IES of $108.3 million for fiscal 2023, an increase of 212% compared with $34.8 million for fiscal 2022, and diluted earnings per share attributable to common stockholders of $4.54 for fiscal 2023, compared with $1.44 for fiscal 2022

- Adjusted net income attributable to IES of $111.9 million for fiscal 2023, an increase of 154% compared with $44.1 million for fiscal 2022, and diluted adjusted earnings per share attributable to common stockholders of $4.71 for fiscal 2023 compared with $1.88 for fiscal 2022

Overview of Results

“Looking back on fiscal 2023, we are pleased with our revenue growth, margin improvements, and the continued strength of all of our businesses" said Jeff Gendell, Chairman and Chief Executive Officer. "Operating income increased substantially compared with the prior year, both for the fourth quarter and the full fiscal year. Year-over-year consolidated revenue increased 10% despite the loss of revenue resulting from the divestiture of STR Mechanical in October 2022 and the planned reduction in activity at a large, underperforming branch in our Commercial & Industrial segment.

"With respect to residential housing, we continue to be cautious about demand in the single-family market, as interest rates on mortgages are near the highest levels of the past 20 years. However, since April 2023, when we began efforts to reorganize our Residential segment, margins have continued to improve despite severance and other discrete expenses incurred to implement the reorganization, and we believe there are opportunities for additional improvement. As we enter fiscal 2024, we expect to continue our focus on margin improvement and cash generation across all of our operating segments, and to continue to be selective and disciplined in our bidding process.”

Our Communications segment’s revenue was $600.8 million in fiscal 2023, an increase of 7% compared with fiscal 2022. Increased demand from high-tech manufacturing customers and continued strong demand from data center customers more than offset reduced construction activity for e-commerce distribution centers. The segment's operating income increased to $51.5 million for fiscal 2023, compared with $22.1 million for fiscal 2022, as we benefited from improved project execution. Our results for fiscal 2022 included $19.9 million of losses related to an expansion into a new, adjacent service area. We have completed all such projects and are no longer performing this type of work.

Our Residential segment’s revenue was $1,279.5 million in fiscal 2023, an increase of 13% compared with fiscal 2022, reflecting price increases in connection with higher materials cost as well as continued strong demand, particularly in the Florida single-family housing market. The Residential segment’s operating income was $82.9 million for fiscal 2023, an increase of 41% compared with fiscal 2022. In connection with the reorganization of our Residential segment, we restructured the senior leadership team, combined multiple administrative facilities into a single location, consolidated several underperforming branches and streamlined our procurement process, while focusing on reducing operating expenses. Despite severance and other discrete expenses incurred in fiscal 2023 to effect this reorganization, operating margins improved year over year.

Our Infrastructure Solutions segment’s revenue was $217.3 million in fiscal 2023, an increase of 30% compared with fiscal 2022, primarily driven by continued strong demand in our custom power solutions business, particularly for our generator enclosure products. Operating income for fiscal 2023 was $29.2 million, compared with $3.6 million for fiscal 2022. Fiscal 2023 was positively impacted by the increased revenues and improved operating margins in our custom power solutions business, and included a $1.0 million pretax gain from the sale of excess land adjacent to one of our operating facilities. Results for fiscal 2022 were negatively impacted by supply chain disruptions, execution difficulties on certain projects, and labor availability, as well as operating inefficiencies associated with the relocation of our Tulsa, Oklahoma operation to a new, larger facility in order to accommodate increased demand for our generator enclosure products.

Our Commercial & Industrial segment's revenue was $279.6 million in fiscal 2023, compared with $308.5 million in fiscal 2022. The decrease in revenue was largely driven by a planned reduction in activity at an underperforming branch. As a result of limitations placed on the size and duration of its new projects, revenue at this branch decreased by $41.9 million for fiscal 2023 compared with fiscal 2022. Segment operating income for fiscal 2023 was $19.3 million, compared with an operating loss of $12.3 million for fiscal 2022. Results for fiscal 2023 included a $13.0 million pretax gain from the sale of our former STR Mechanical business in the first quarter of fiscal 2023. STR contributed revenue of $18.3 million and operating income of $0.6 million during fiscal 2022.

Matt Simmes, President and Chief Operating Officer, commented, "We spent much of fiscal 2023 focusing on process improvements across our businesses. We expect these internal improvements to enhance our profitability and cash flows, and to position us well for future growth. The recent organizational changes at our Residential segment positively impacted our results in the second half of fiscal 2023, and we are optimistic about continued margin expansion in this segment as we enter fiscal 2024. Our Infrastructure Solutions segment benefited from capital investments we made in fiscal 2022 and 2023 to expand our facilities and increase capacity. In our Commercial & Industrial segment, we realized improved pricing in a strong non-residential construction market. Our focus on improving project execution combined with a more selective bidding strategy has resulted in increased operating margins, and we expect this strategy to continue to enhance our profitability in this segment."

"We generated operating cash flow of $153.9 million in fiscal 2023, reflecting improved profitability and working capital efficiency," added Tracy McLauchlin, Chief Financial Officer. "As a result, we ended the year with no debt and a cash balance of $75.8 million, compared with debt, net of cash, of $56.8 million at September 30, 2022. Although short-term interest rates on our cash balances are currently attractive, we will continue to focus on evaluating long-term, strategic uses of our cash, including supporting organic growth, share repurchases and suitable acquisitions. We substantially utilized our federal tax net operating loss carryforwards during fiscal 2023, and have begun making federal estimated tax payments. As a result, we had a higher cash tax rate for fiscal 2023 compared with fiscal 2022, and expect our cash tax rate will increase further in fiscal 2024."

Stock Buyback Plan

In December 2022, the Company's Board of Directors authorized and announced a stock repurchase program for purchasing up to $40 million of our common stock from time to time, which replaced the Company's previous program. During the quarter ended September 30, 2023, the Company did not repurchase any shares under its repurchase program. For the year ended September 30, 2023, the Company repurchased 224,013 shares at an average price of $31.06. The Company had $37.6 million remaining under its stock repurchase authorization at September 30, 2023.

Non-GAAP Financial Measures and Other Adjustments

This press release includes adjusted net income attributable to IES, adjusted diluted earnings per share attributable to common stockholders, and backlog, and, in the non-GAAP reconciliation tables included herein, adjusted net income attributable to common stockholders, adjusted EBITDA and adjusted net income before taxes, each of which is a financial measure 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, in the case of adjusted net income attributable to common stockholders, adjusted earnings per share attributable to common stockholders, adjusted EBITDA and adjusted net income before taxes, distinguishing certain nonrecurring events such as litigation settlements, significant expenses associated with leadership changes, or gains or losses from the sale of a business, or noncash events, such as impairment charges or our valuation allowances release and write-down of our deferred tax assets, or, in the case of backlog, providing a common measurement used in IES's industry, as described further below, and that these measures, when reconciled to the most directly comparable GAAP measures, 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, which has been provided in the financial tables included in this press release.

Remaining performance obligations represent the unrecognized revenue value of our contract commitments. While backlog is not a defined term under GAAP, it is a common measurement used in IES's industry and IES believes this non-GAAP measure enables it to more effectively forecast its future results and better identify future operating trends that may not otherwise be apparent. IES's remaining performance obligations are a component of IES's backlog calculation, which also includes signed agreements and letters of intent which we do not have a legal right to enforce prior to work starting. These arrangements are excluded from remaining performance obligations until work begins. IES's methodology for determining backlog may not be comparable to the methodologies used by other companies.

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, 2023, to be filed with the Securities and Exchange Commission ("SEC") by December 7, 2023, and any amendments thereto.

About IES Holdings, Inc.

IES designs and installs integrated electrical and technology systems and provides infrastructure products and services to a variety of end markets, including data centers, residential housing, and commercial and industrial facilities. Our more than 8,000 employees serve clients in the United States. For more information about IES, please visit www.ies-co.com.

Company Contact:

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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 impact of the COVID-19 outbreak or future pandemics on our business, including the potential for job site closures or work stoppages, supply chain disruptions, delays in awarding new projects, construction delays, reduced demand for our services, delays in our ability to collect from our customers, the impact of third party vaccine mandates on employee recruiting and retention, or illness of management or other employees; the ability of our controlling shareholder to take action not aligned with other shareholders; the potential recognition of valuation allowances or write-downs on deferred tax assets; the inability to carry out plans and strategies as expected, including our inability to identify and complete acquisitions that meet our investment criteria in furtherance of our corporate strategy, or the subsequent underperformance of those acquisitions; 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 or the housing market, seasonality and differing regional economic conditions; the possibility of inaccurate estimates used when entering into fixed-price contracts 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, 2023 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, deferred tax assets, 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 "Investor Relations." 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 September 30,		Year Ended September 30,	
	2023	2022	2023	2022
Revenues	$ 649.0	$ 617.4	$ 2,377.2	$ 2,166.8
Cost of services	508.5	519.5	1,932.7	1,847.9
Gross profit	140.5	97.9	444.5	318.9
Selling, general and administrative expenses	87.2	72.8	298.6	262.7
Contingent consideration	0.1	0.1	0.3	0.3
(Gain) loss on sale of assets	0.1	—	(14.1)	(0.1)
Operating income	53.2	25.0	159.8	56.0
Interest expense	0.4	1.2	3.0	3.0
Other income	(0.6)	(0.8)	(1.8)	—
Income from operations before income taxes	53.4	24.6	158.6	53.0
Provision for income taxes	12.4	6.5	38.8	12.8
Net income	41.0	18.1	119.8	40.2
Net income attributable to noncontrolling interest	(3.2)	(1.8)	(11.5)	(5.4)
Net income attributable to IES Holdings, Inc.	$ 37.8	$ 16.2	$ 108.3	$ 34.8
Computation of earnings per share:				
Net income attributable to IES Holdings, Inc.	$ 37.8	$ 16.2	$ 108.3	$ 34.8
Increase in noncontrolling interest	(4.0)	(1.2)	(15.7)	(4.7)
Net income attributable to common stockholders of IES Holdings, Inc.	$ 33.8	$ 15.0	$ 92.6	$ 30.0
Earnings per share attributable to common stockholders:				
Basic	$ 1.68	$ 0.73	$ 4.58	$ 1.45
Diluted	$ 1.66	$ 0.72	$ 4.54	$ 1.44
Shares used in the computation of earnings per share:				
Basic (in thousands)	20,192	20,480	20,197	20,668
Diluted (in thousands)	20,426	20,707	20,413	20,895

IES HOLDINGS, INC. AND SUBSIDIARIES
NON-GAAP RECONCILIATION OF ADJUSTED NET INCOME ATTRIBUTABLE TO IES HOLDINGS, INC. AND ADJUSTED EARNINGS PER SHARE ATTRIBUTABLE TO COMMON STOCKHOLDERS
(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	Three Months Ended September 30,		Year Ended September 30,	
	2023	2022	2023	2022
Net income attributable to IES Holdings, Inc.	$ 37.8	$ 16.2	$ 108.3	$ 34.8
Gain on sale of STR Mechanical	—	—	(13.0)	—
Gain on sale of real estate	—	—	(1.0)	—
Severance expense	—	—	3.6	—
Provision for income taxes	12.4	6.5	38.8	12.8
Adjusted net income before taxes	50.1	22.8	136.6	47.6
Current tax expense [1]	(10.6)	(1.8)	(24.7)	(3.5)
Adjusted net income attributable to IES Holdings, Inc.	39.5	20.9	111.9	44.1
Adjustments for computation of earnings per share:				
Increase in noncontrolling interest	(4.0)	(1.2)	(15.7)	(4.7)
Adjusted net income attributable to common stockholders	$ 35.5	$ 19.7	$ 96.2	$ 39.4
Adjusted earnings per share attributable to common stockholders:				
Basic	$ 1.76	$ 0.96	$ 4.76	$ 1.90
Diluted	$ 1.74	$ 0.95	$ 4.71	$ 1.88
Shares used in the computation of earnings per share:				
Basic (in thousands)	20,192	20,480	20,197	20,668
Diluted (in thousands)	20,426	20,707	20,413	20,895

[1] Represents the tax expense related to the current period earnings which will be considered in the computation of tax to be paid in cash for the full year, and not offset by the utilization of net operating loss carryforwards

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

	September 30, 2023	September 30, 2022
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 75.8	$ 24.8
Accounts receivable:		
Trade, net of allowance	363.8	370.7
Retainage	76.9	65.1
Inventories	95.7	96.3
Costs and estimated earnings in excess of billings	48.6	52.1
Prepaid expenses and other current assets	10.5	15.3
Total current assets	671.3	624.4
Property and equipment, net	63.4	54.4
Goodwill	92.4	92.4
Intangible assets, net	56.2	71.9
Deferred tax assets	20.4	20.5
Operating right of use assets	61.8	55.9
Other non-current assets	16.1	15.1
Total assets	$ 981.6	$ 934.7
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 296.8	$ 317.0
Billings in excess of costs and estimated earnings	103.8	84.9
Total current liabilities	400.6	401.9
Long-term debt	—	81.6
Operating long-term lease liabilities	42.1	38.1
Other tax liabilities	22.0	9.9
Other non-current liabilities	17.0	12.7
Total liabilities	481.7	544.2
Noncontrolling interest	50.0	29.2
STOCKHOLDERS' EQUITY:		
Preferred stock	—	—
Common stock	0.2	0.2
Treasury stock, at cost	(49.5)	(44.0)
Additional paid-in capital	203.4	201.9
Retained earnings	295.8	203.2
Total stockholders' equity	449.9	361.3
Total liabilities and stockholders' equity	$ 981.6	$ 934.7

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

	Year Ended September 30, 2023	Year Ended September 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 119.8	$ 40.2
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Bad debt expense	(0.1)	3.1
Deferred financing cost amortization	0.3	0.2
Depreciation and amortization	29.4	25.5
Gain on sale of assets	(14.1)	(0.1)
Non-cash compensation expense	4.4	3.8
Deferred income taxes	5.2	—
Changes in operating assets and liabilities:		
Accounts receivable	2.9	(87.2)
Inventories	(1.1)	(27.8)
Costs and estimated earnings in excess of billings	3.5	(8.7)
Prepaid expenses and other current assets	(7.3)	(18.6)
Other non-current assets	2.1	(3.0)
Accounts payable and accrued expenses	(10.0)	67.1
Billings in excess of costs and estimated earnings	19.1	22.5
Other non-current liabilities	0.2	(0.8)
Net cash provided by operating activities	153.9	16.3
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(17.7)	(29.3)
Proceeds from sale of assets	20.6	0.2
Cash paid in conjunction with equity investments	(0.2)	(0.5)
Net cash provided by (used in) investing activities	2.8	(29.5)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings of debt	2,381.6	1,924.5
Repayments of debt	(2,464.2)	(1,882.1)
Cash paid for finance leases	(3.3)	(1.8)
Distribution to noncontrolling interest	(11.5)	(7.0)
Purchase of treasury stock	(8.3)	(18.6)
Options exercised	—	0.1
Net cash provided by (used in) financing activities	(105.8)	15.0
NET DECREASE IN CASH AND CASH EQUIVALENTS	50.9	1.7
CASH and CASH EQUIVALENTS, beginning of period	24.8	23.1
CASH and CASH EQUIVALENTS, end of period	$ 75.8	$ 24.8

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

	Three Months Ended September 30,		Year Ended September 30,	
	2023	2022	2023	2022
Revenues				
Communications	$ 170.8	$ 157.0	$ 600.8	$ 559.8
Residential	337.3	327.5	1,279.5	1,131.4
Infrastructure Solutions	58.4	43.4	217.3	167.1
Commercial & Industrial	82.5	89.5	279.6	308.5
Total revenue	$ 649.0	$ 617.4	$ 2,377.2	$ 2,166.8
Operating income (loss)				
Communications	$ 16.8	$ 8.6	$ 51.5	$ 22.1
Residential [1]	30.2	19.9	82.9	58.9
Infrastructure Solutions [2]	8.1	1.6	29.2	3.6
Commercial & Industrial [3]	5.3	(0.6)	19.3	(12.3)
Corporate	(7.2)	(4.4)	(23.1)	(16.2)
Total operating income	$ 53.2	$ 25.0	$ 159.8	$ 56.0

(1) Residential's operating income for the year ended September 30, 2023 includes pretax severance expense of $3.6 million.
(2) Infrastructure Solutions' operating income for the year ended September 30, 2023 includes a pretax gain of $1.0 million related to the sale of real estate.
(3) Commercial & Industrial's operating income for the year ended September 30, 2023 includes a pretax gain of $13.0 million related to the sale of STR Mechanical.

IES HOLDINGS, INC. AND SUBSIDIARIES
NON-GAAP RECONCILIATION OF ADJUSTED EBITDA
(DOLLARS IN MILLIONS)
(UNAUDITED)

	Three Months Ended September 30,		Year Ended September 30,	
	2023	2022	2023	2022
Net income attributable to IES Holdings, Inc.	$ 37.8	$ 16.2	$ 108.3	$ 34.8
Provision for income taxes	12.4	6.5	38.8	12.8
Interest & other (income) expense, net	(0.2)	0.4	1.2	3.0
Depreciation and amortization	9.3	6.8	29.4	25.5
EBITDA	$ 59.3	$ 30.0	$ 177.7	$ 76.1
Gain on sale of STR Mechanical	—	—	(13.0)	—
Gain on sale of real estate	—	—	(1.0)	—
Non-cash equity compensation expense	1.1	0.9	4.3	3.8
Severance expense	—	—	3.6	—
Adjusted EBITDA	$ 60.4	$ 30.9	$ 171.6	$ 79.9

IES HOLDINGS, INC. AND SUBSIDIARIES
SUPPLEMENTAL REMAINING PERFORMANCE OBLIGATIONS AND NON-GAAP RECONCILIATION OF BACKLOG DATA
(DOLLARS IN MILLIONS)
(UNAUDITED)

	September 30, 2023	June 30, 2023	September 30, 2022
Remaining performance obligations	$ 1,143	$ 1,072	$ 967
Agreements without an enforceable obligation [1]	415	458	319
Backlog	$ 1,558	$ 1,530	$ 1,286

[1] Our backlog contains signed agreements and letters of intent which we do not have a legal right to enforce prior to work starting. These arrangements are excluded from remaining performance obligations until work begins.

FOR IMMEDIATE RELEASE

IES Holdings Promotes Matthew Simmes to President and Chief Operating Officer

HOUSTON — December 7, 2023 — IES Holdings, Inc. (or "IES" or the "Company") (NASDAQ: IESC) today announced the promotion of Matthew Simmes to the position of President and Chief Operating Officer of the Company. Mr. Simmes, who was appointed as Chief Operating Officer of IES in December 2021, will continue to manage the operations of all four of the Company's operating segments, reporting directly to Jeff Gendell, the Company's Chairman and Chief Executive Officer. Mr. Simmes has spent 30 years at IES in a variety of increasingly senior roles and, prior to being named Chief Operating Officer, served as President of the Company's Communications segment from 2017 to 2021.

"Matt's promotion reflects his leadership, vision and contributions to IES during a critical period in the Company's evolution," said Mr. Gendell. "In particular, he has been the driving force behind the successful reorganization of our Residential segment as well as the implementation of the operating and process improvements that have enhanced performance throughout our businesses. Matt's success in overseeing day-to-day operations has enabled me to spend more time focused on the strategic issues that are critical to the Company's ability to achieve its long-term goals. I look forward to our continued partnership in delivering excellence to our customers while growing the IES platform."

Mr. Simmes added, "I am humbled by the continued faith and confidence that Jeff and the Board of Directors have demonstrated in my ability to help lead the Company in these exciting times. I am extremely proud of the accomplishments of the entire team in driving growth and improving operating results while providing the highest level of service to our customers. More importantly, I believe there is much more we can accomplish together, and I am excited by the opportunities in front of us."

About IES Holdings, Inc.

IES designs and installs integrated electrical and technology systems and provides infrastructure products and services to a variety of end markets, including data centers, residential housing, and commercial and industrial facilities. Our more than 8,000 employees serve clients in the United States. For more information about IES, please visit www.ies-co.com.

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