
IES Holdings, Inc.

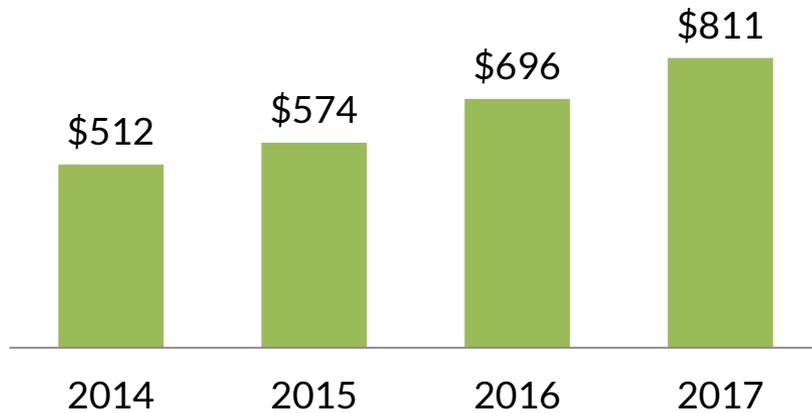
Fourth Quarter and Fiscal Year 2017 Update



IES Holdings, Inc. (NASDAQ: IESC)

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

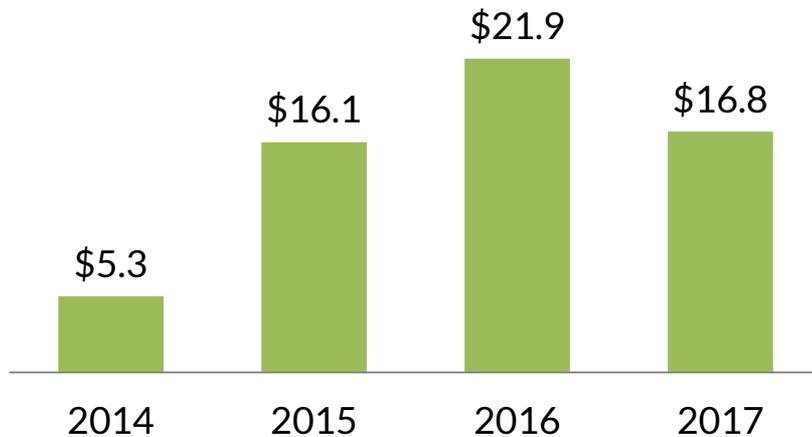
REVENUE



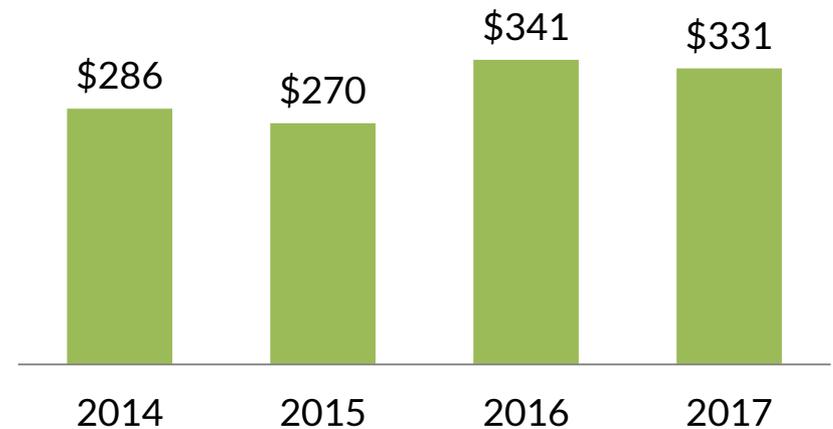
OPERATING INCOME



ADJUSTED NET INCOME



BACKLOG



Fourth Quarter and Fiscal Year 2017 Highlights

◆ Revenue

- FY17: \$810.7 million, an increase of 16.5% compared with FY16
- 4th quarter of FY17: \$206.6 million, increase of 0.5% compared with the 4th quarter of FY16

◆ Income from Operations

- FY17: \$20.3 million, a decrease of \$4.6 million compared with FY16
- 4th quarter of FY17: \$7.0 million, a decrease of \$2.1 million compared with the 4th quarter of FY16

◆ Pre-Tax Income

- FY17: \$18.8 million, a decrease of \$5.0 million compared with FY16
- 4th quarter of FY17: \$6.7 million, a decrease of \$2.1 million compared with the 4th quarter of FY16

Fiscal Year 2017 Segment Results

Commercial & Industrial

- ◆ Revenue: \$227.6 million, increase of 2.3% over FY16
 - ◆ Operating Loss: \$1.2 million
 - ◆ Operating Margin: (0.5%)
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Communications

- ◆ Revenue: \$225.3 million, increase of 18.8% over FY16
 - ◆ Operating Profit: \$13.6 million
 - ◆ Operating Margin: 6.0%
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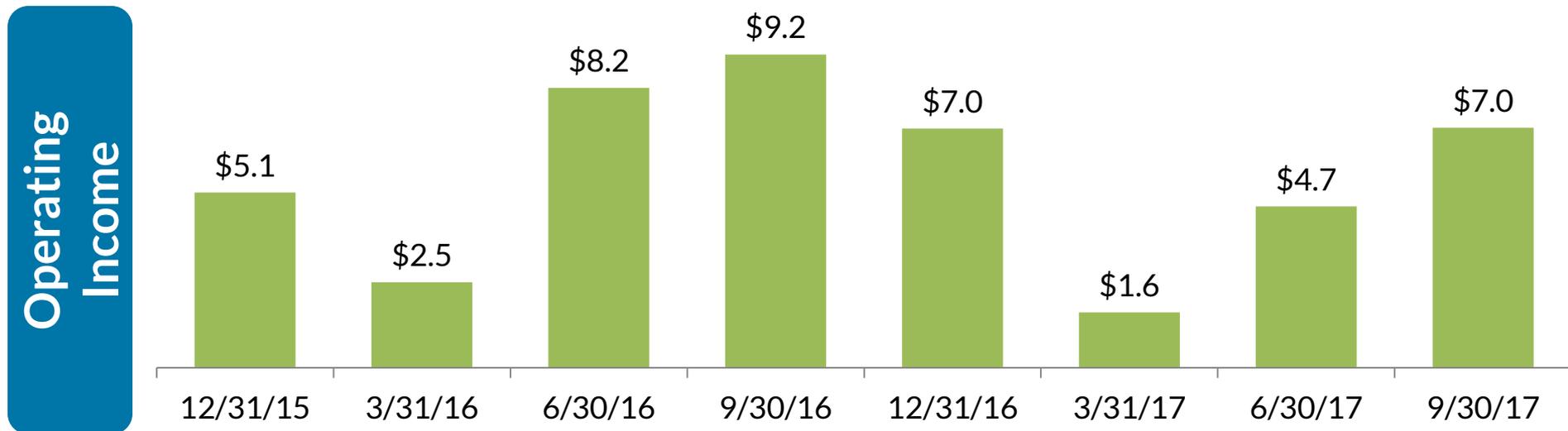
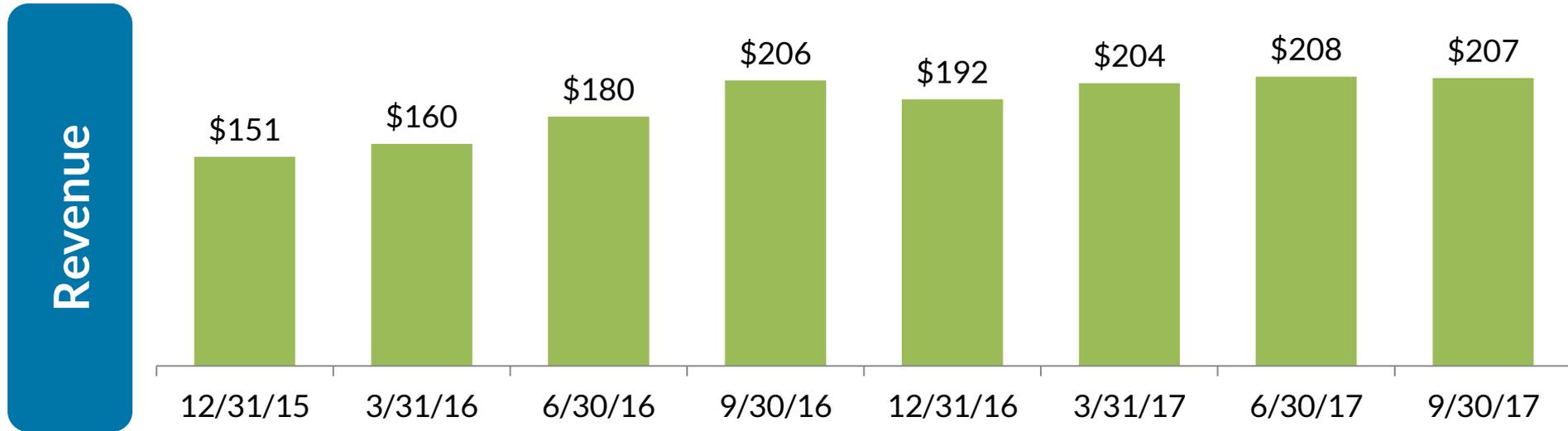
Infrastructure Solutions

- ◆ Revenue: \$83.8 million, increase of 44.5% over FY16
 - ◆ Operating Profit: \$2.8 million
 - ◆ Operating Margin: 3.3%
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Residential

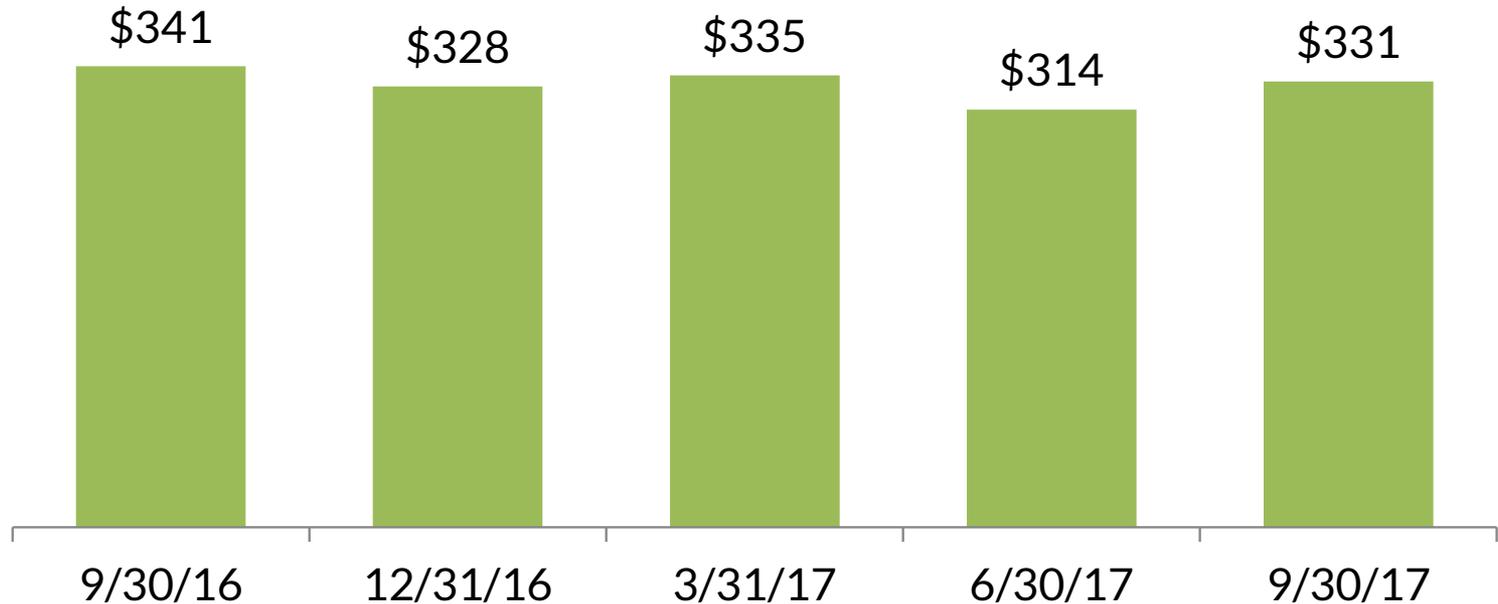
- ◆ Revenue: \$274.0 million, increase of 21.3% over FY16
- ◆ Operating Profit: \$19.5 million
- ◆ Operating Margin: 7.1%

Quarterly Financials



Backlog as of 9/30/17 is down \$10 million compared to prior year

Quarterly Backlog



- ◆ Revenue in backlog at the Commercial & Industrial Wind-Down Branches at September 30, 2017 and 2016 was \$10.6 million and \$32.0 million, respectively

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 ⁽¹⁾	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.</i> ⁽²⁾	\$5.3	\$16.1	\$21.9	\$16.8

⁽¹⁾Includes results of operations from two Commercial & Industrial branches that are winding down operations; see the following slide for further detail

⁽²⁾See reconciliation table of non-GAAP adjusted net income attributable to IES Holdings, Inc.

Income Statement: Commercial & Industrial Wind-Down Branches

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

(in millions)

	Three Months Ended September 30,		Fiscal Year Ended September 30,	
	2016	2017	2016	2017
Revenues	\$8.9	\$4.9	\$27.2	\$32.2
Cost of Service	8.5	6.2	26.3	37.8
Gross Profit	\$0.5	(\$1.3)	\$0.9	(\$5.6)
Selling, general and administrative expenses	0.6	0.7	2.9	2.8
Loss from continuing operations	(\$0.1)	(\$2.1)	(\$2.0)	(\$8.4)

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	33.2	36.6	91.1	106.5
Total Assets	\$201.1	\$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	10.2	9.2	29.3	29.4
Total Liabilities	\$113.1	\$124.3	\$169.1	\$184.5
Noncontrolling interest	-	-	1.8	3.3
Equity	88.0	101.4	223.4	236.7
Total Liabilities & Equity	\$201.1	\$225.7	\$394.3	\$424.5

Segment Results

(in millions)

	Fiscal Year Ending September 30,			
	2014	2015	2016	2017
Revenue				
Commercial & Industrial	\$166.2	\$178.9	\$222.5	\$227.6
Communications	116.1	141.9	189.6	225.3
Infrastructure Solutions	47.6	46.8	58.0	83.8
Residential	182.5	206.3	225.9	274.0
Total Revenue	\$512.4	\$573.9	\$696.0	\$810.7
Operating Income				
Commercial & Industrial	\$3.7	\$6.5	\$7.6	(\$1.2)
Communications	7.7	10.1	11.7	13.6
Infrastructure Solutions	0.7	1.1	1.8	2.8
Residential	5.9	10.0	16.4	19.5
Corporate	(10.3)	(9.3)	(12.6)	(14.4)
Total Operating Income	\$7.6	\$18.5	\$25.0	\$20.3

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

(in millions)

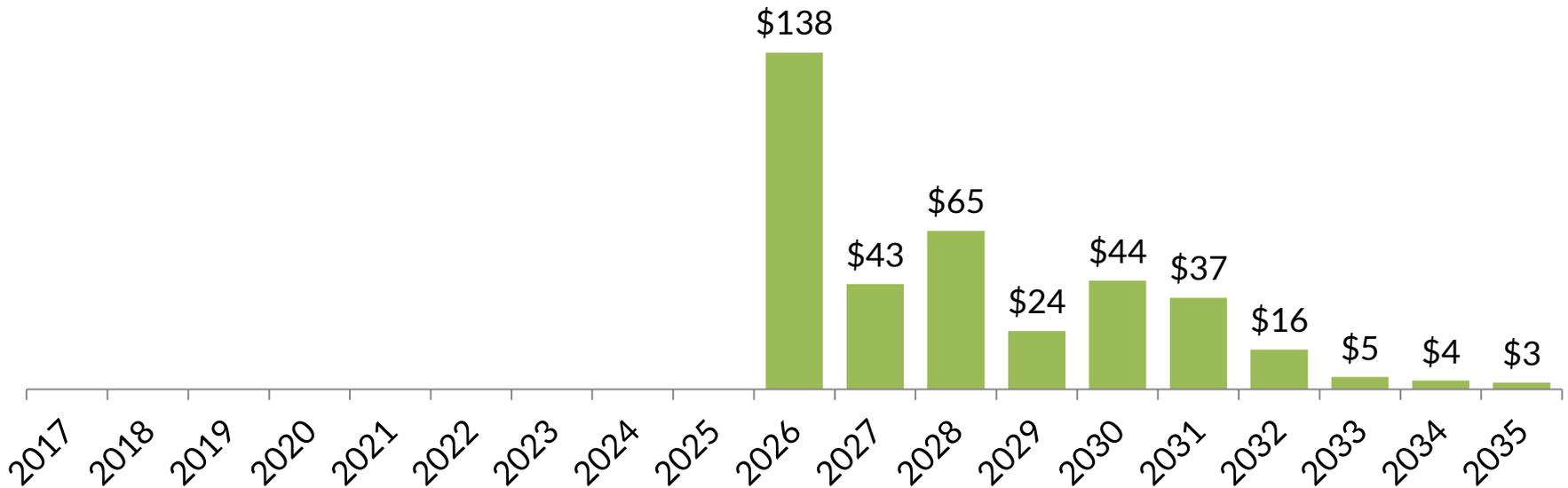
	Fiscal Year Ending September 30,			
	2014	2015	2016	2017
Net income attributable to IES Holdings, Inc.	\$5.3	\$16.5	\$120.8	\$13.4
Provision (benefit) for income taxes	0.7	0.7	(97.1)	5.2
Adjusted net income before taxes	\$6.1	\$17.2	\$23.7	\$18.6
Current tax expense ⁽¹⁾	(0.7)	(1.1)	(1.7)	(1.8)
Adjusted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

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