
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

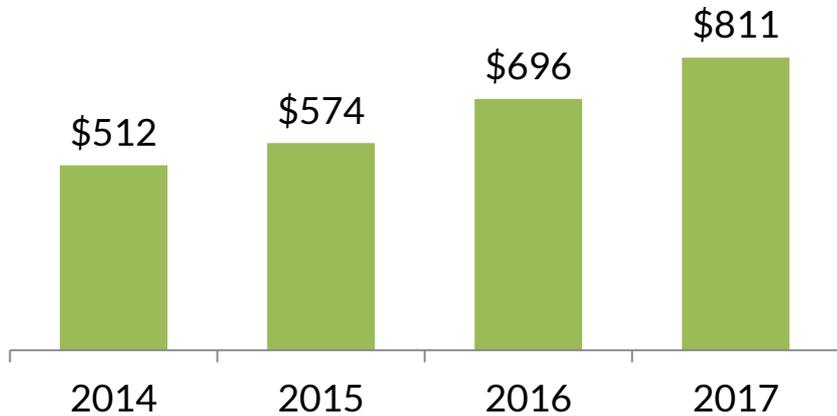
** The Company estimates that it has available Net Operating Loss Carryforwards (NOLs) for U.S. federal income tax purposes of approximately \$378 million at September 30, 2017, including approximately \$142 million resulting from the additional amortization of personal goodwill

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

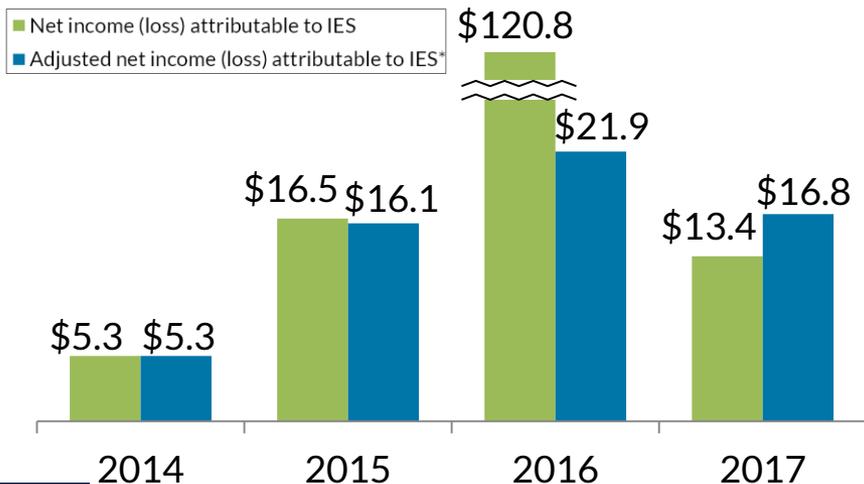
REVENUE



OPERATING INCOME



NET INCOME ATTRIBUTABLE TO IES

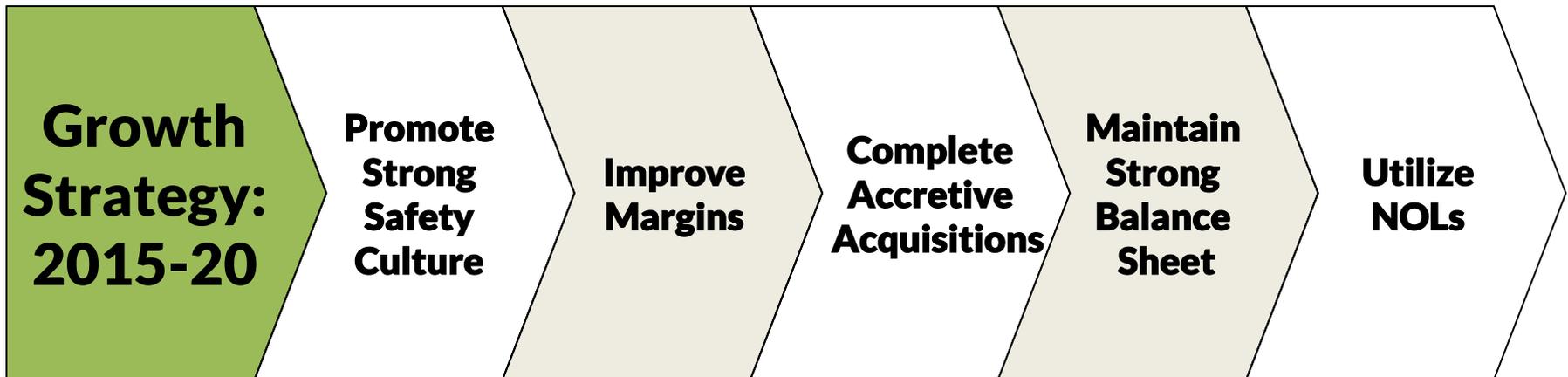


BACKLOG

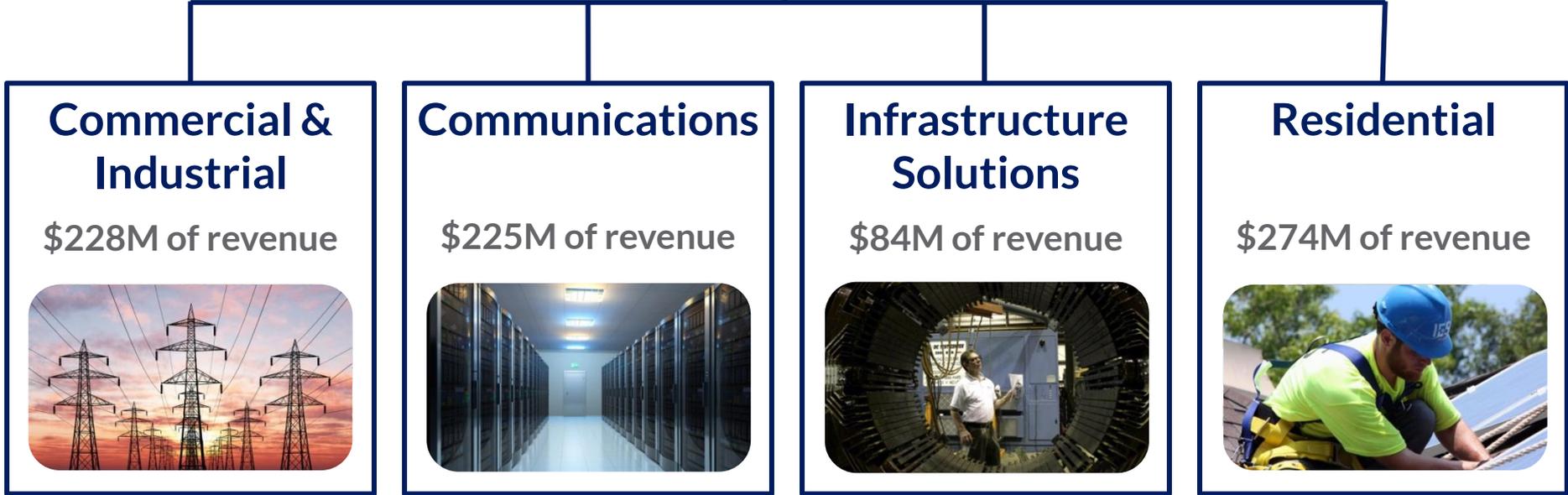


Holding Company Growth Strategy

- ◆ 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



Commercial & Industrial

\$228M of revenue



Communications

\$225M of revenue



Infrastructure Solutions

\$84M of revenue



Residential

\$274M of revenue



Commercial & Industrial

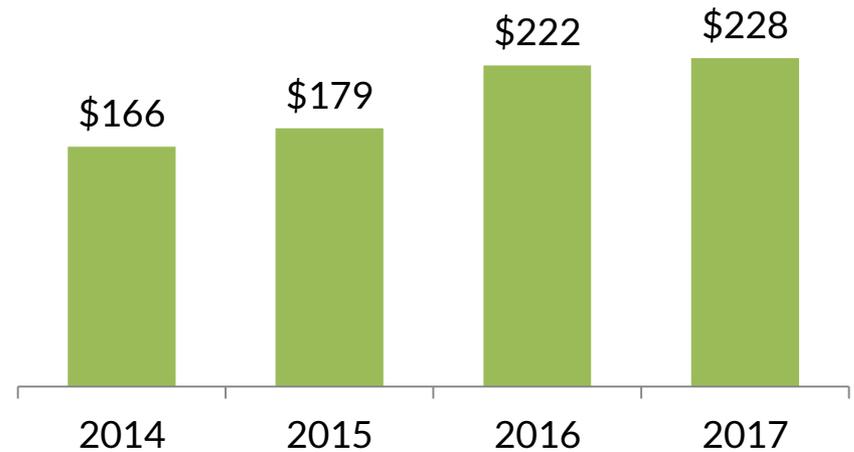
BUSINESS OVERVIEW

- 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

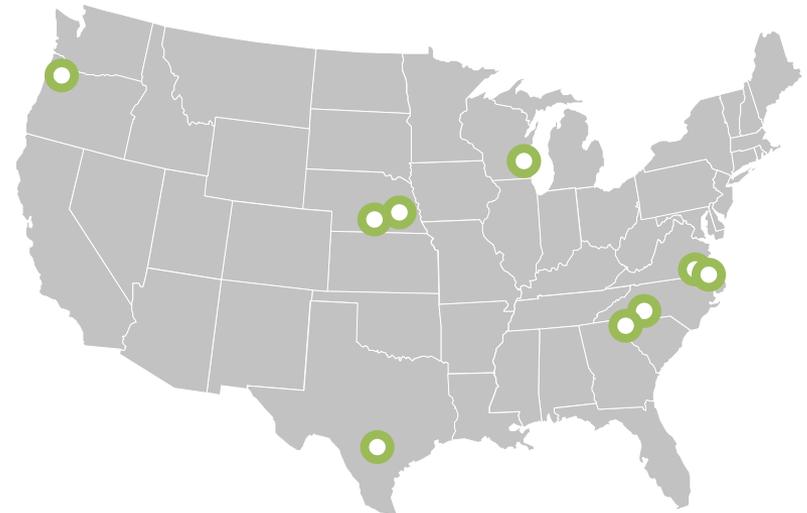
REPRESENTATIVE MARKETS

- 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

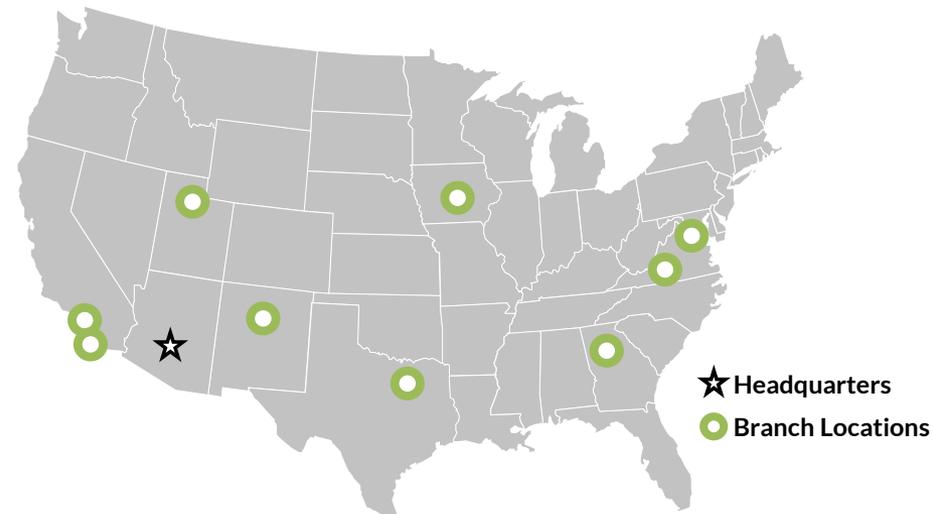
REPRESENTATIVE MARKETS

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

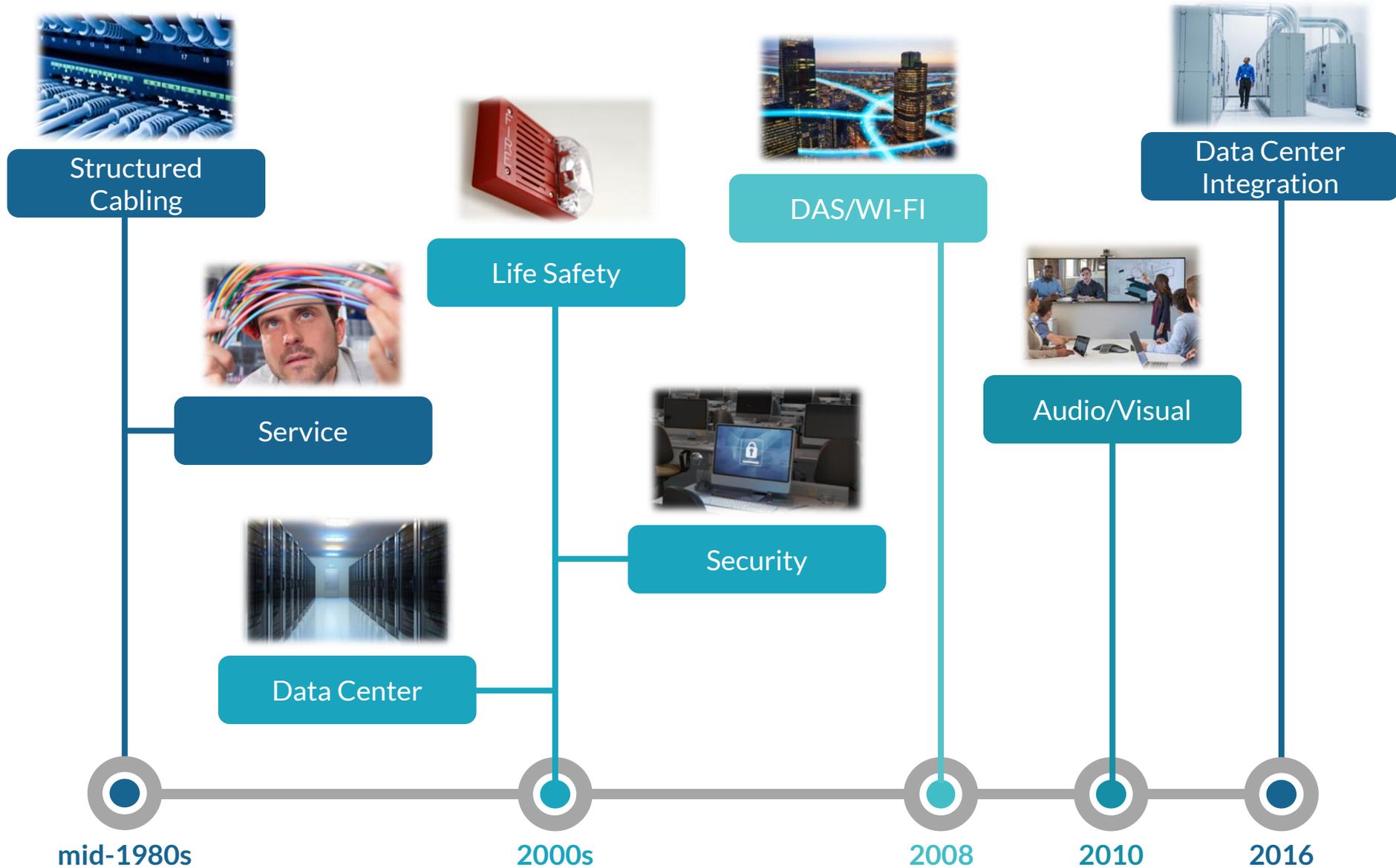
REVENUE



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)

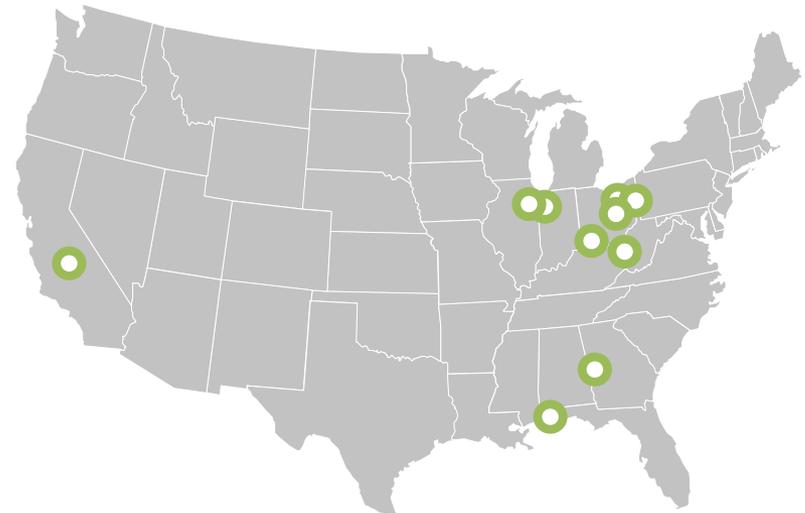
REPRESENTATIVE MARKETS

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

REVENUE



GEOGRAPHIC COVERAGE

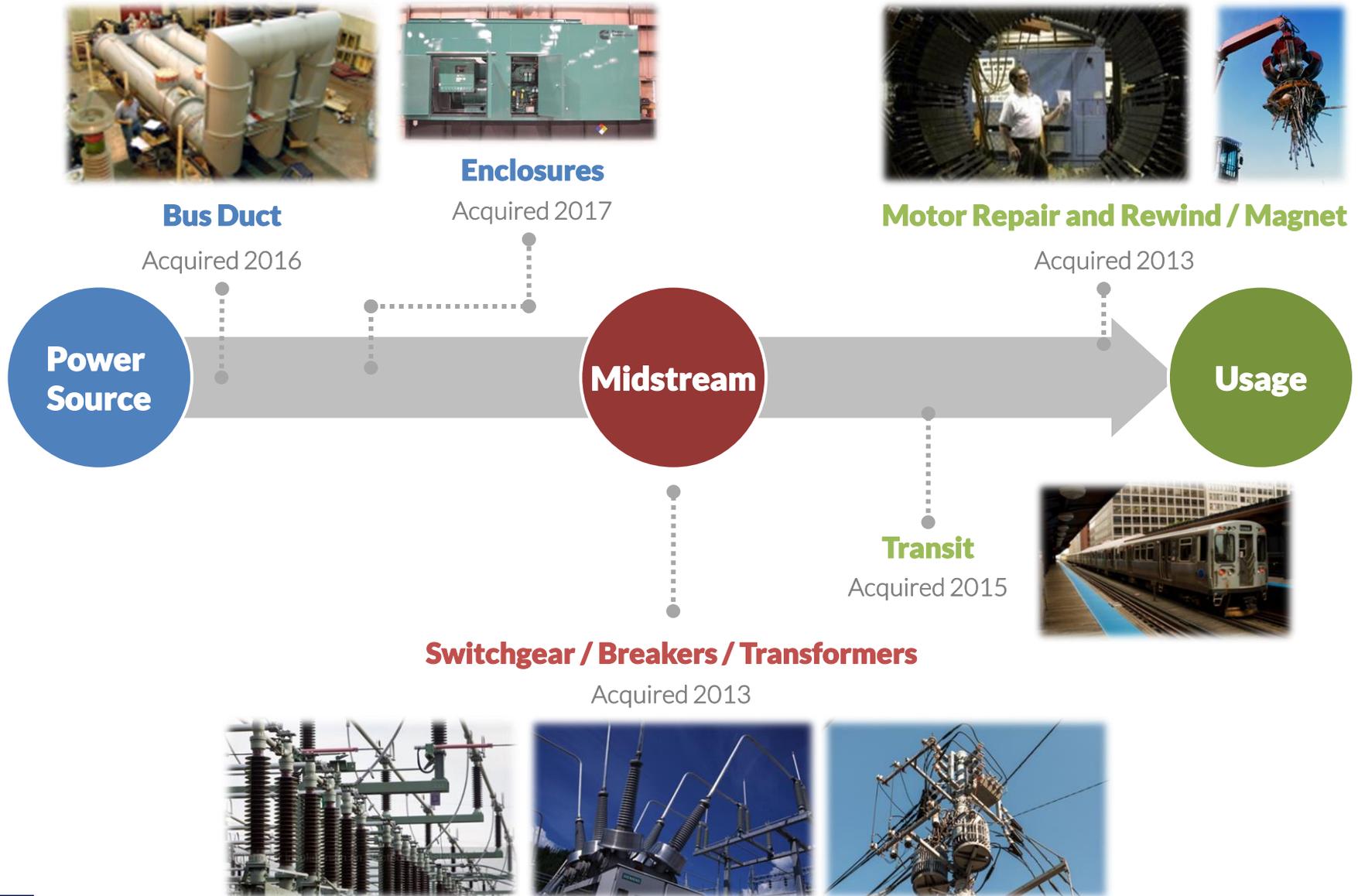


Infrastructure Solutions: Industrial & Electro-Mechanical Services

		<i>Brands of Infrastructure Solutions:</i>				
		Magnetech*	Southern Rewinding	Calumet	Technibus	Freeman
		<i>Date Acquired:</i> 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

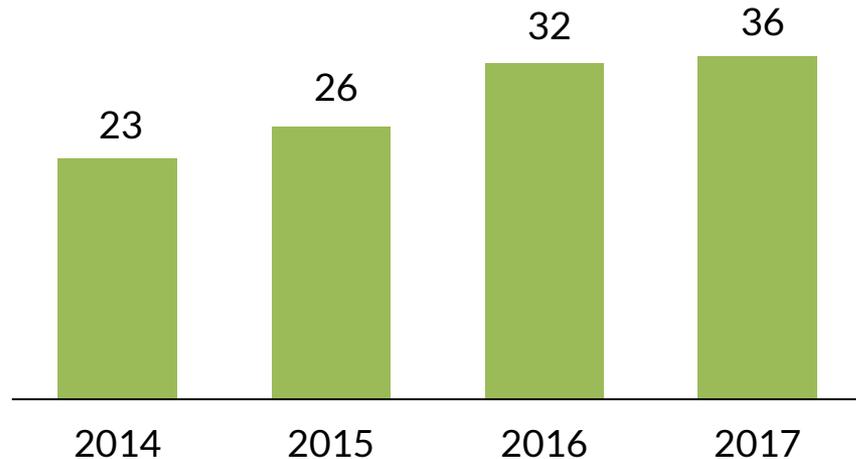
REPRESENTATIVE MARKETS

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

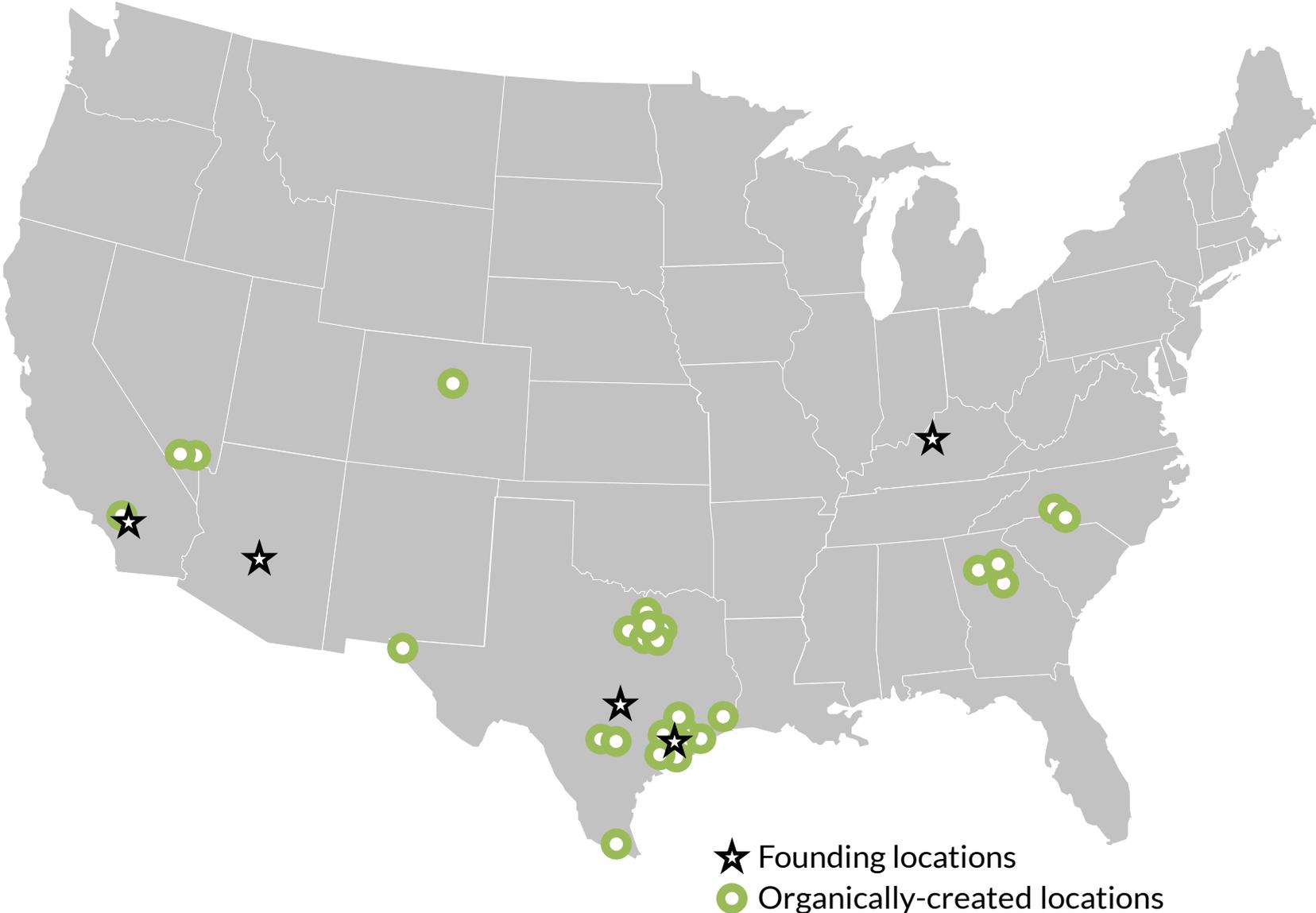
REVENUE



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
 <p>Shanahan Mechanical & Electric</p>	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 
 <p>Calumet Armature</p>	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 
 <p>Southern Rewinding</p>	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>	\$5.3	\$16.1	\$21.9	\$16.8
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

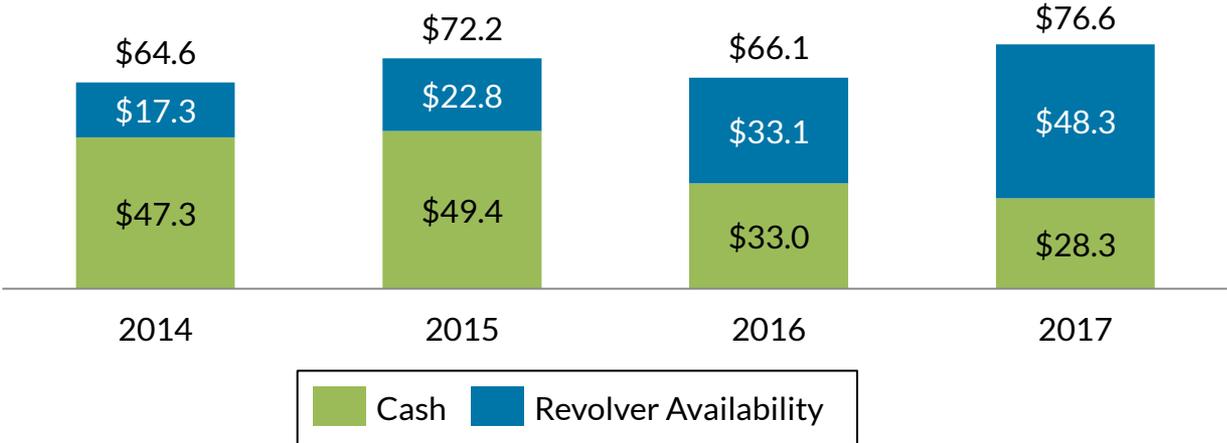
⁽¹⁾ Adjusted net income attributable to IES Holdings, Inc. is a non-GAAP financial measure; see reconciliation table

Select Balance Sheet Data

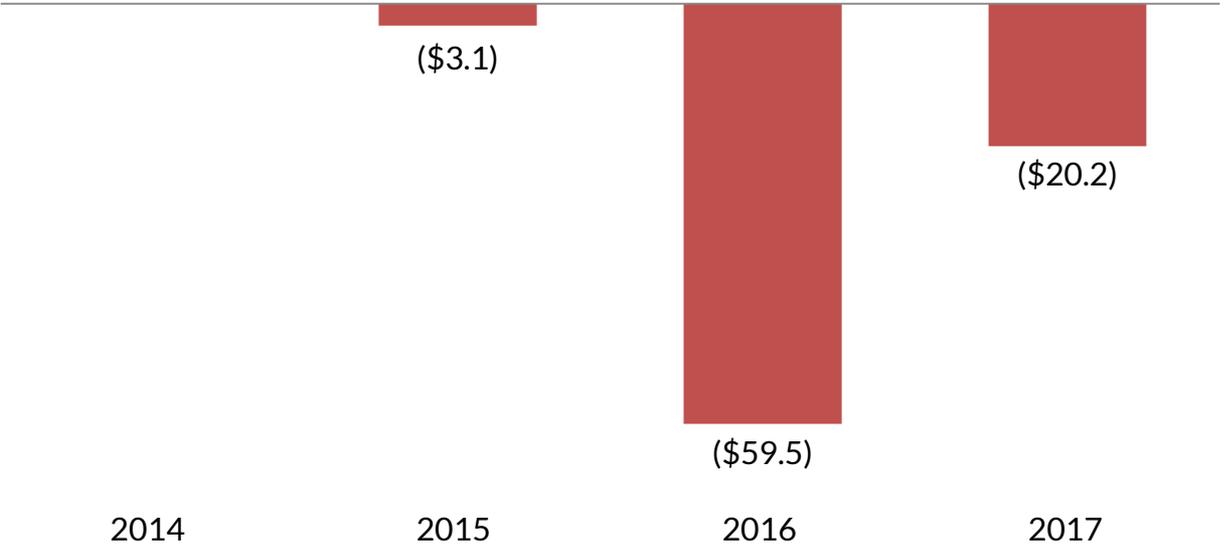
(in millions)	Fiscal Year Ending September 30,			
	2014	2015	2016	2017
Cash	\$47.3	\$49.4	\$33.2	\$28.3
Current Assets	120.6	139.7	176.5	203.5
Deferred Tax Assets	-	-	93.5	86.2
Non-Current Assets	32.0	36.6	91.1	106.5
Total Assets	\$200.0	\$225.7	\$394.3	\$424.5
Current Liabilities	\$95.9	\$108.1	\$133.1	\$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



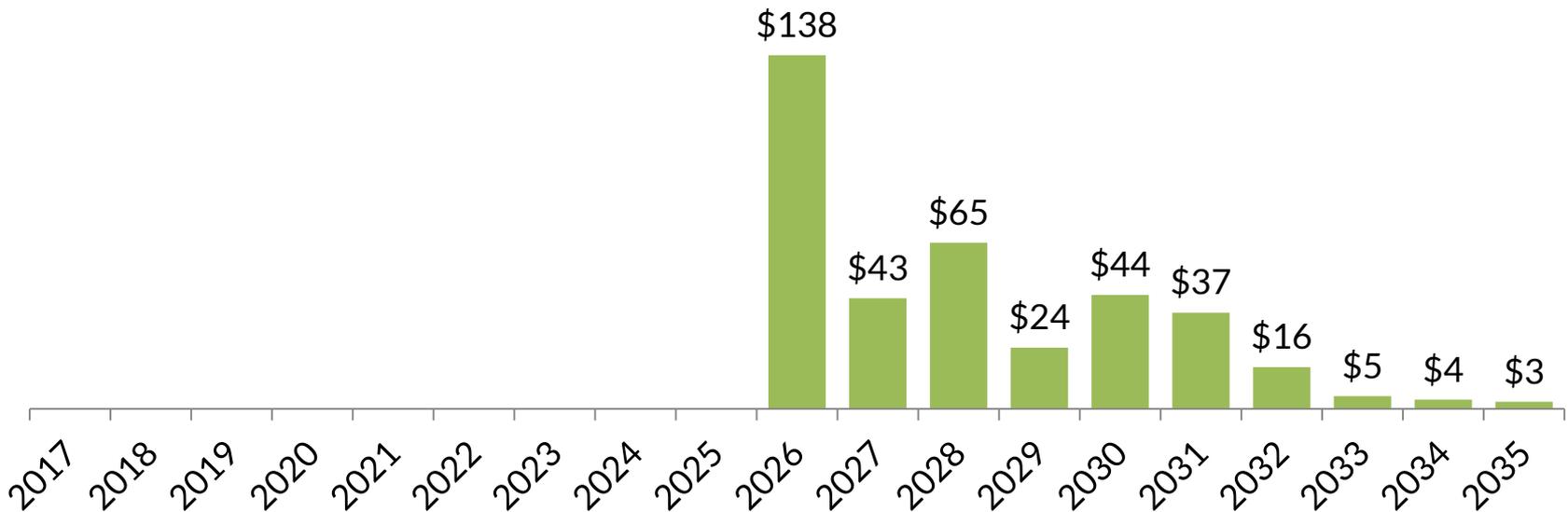
Cash Paid in Business Combinations



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