

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K**

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended September 30, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-13783



IES Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

76-0542208
(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

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

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.:

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting stock of the registrant held by non-affiliates as of March 31, 2024, was approximately \$1,045.3 million. On November 18, 2024, there were 19,971,670 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information contained in the Proxy Statement for the 2025 Annual Meeting of Stockholders of the Registrant to be held on February 20, 2025, is incorporated by reference into Part III of this Annual Report on Form 10-K.

FORM 10-K
IES HOLDINGS, INC. AND SUBSIDIARIES
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PART I

DEFINITIONS

In this Annual Report on Form 10-K, the words “IES”, the “Company”, the “Registrant”, “we”, “our”, “ours” and “us” refer to IES Holdings, Inc. and, except as otherwise specified herein, to our subsidiaries.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K includes certain statements that may be deemed “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, 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:

- a general reduction in the demand for our products or services;
- changes in general economic conditions, including supply chain constraints, high rates of inflation, changes in consumer sentiment, elevated interest rates, and market disruptions resulting from a number of factors, including geo-political events such as the Ukraine-Russia war, the conflict in the Middle East, and trade tensions between the U.S. and China;
- 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;
- our ability to successfully manage and execute projects, the cost and availability of qualified labor and the ability to maintain positive labor relations, and our ability to pass along increases in the cost of commodities used in our business, in particular, copper, aluminum, steel, fuel, electronic components and certain plastics;
- supply chain disruptions due to our suppliers’ access to materials and labor, their ability to ship products timely, or credit or liquidity problems they may face;
- inaccurate estimates used when entering into fixed-price contracts, the possibility of errors when estimating revenue and progress to date on percentage-of-completion contracts, and complications associated with the incorporation of new accounting, control and operating procedures;
- our ability to enter into, and the terms of, future contracts;
- the existence of a small number of customers from whom we derive a meaningful portion of our revenues;
- reliance on third parties, including subcontractors and suppliers, to complete our projects;
- the inability to carry out plans and strategies as expected, including the inability to identify and complete acquisitions that meet our investment criteria in furtherance of our corporate strategy, or the subsequent underperformance of those acquisitions;
- challenges integrating new businesses into the Company or new types of work, products or processes into our segments;
- backlog that may not be realized or may not result in profits;
- failure to adequately recover on contract change orders or claims against customers;
- closures or sales of our facilities resulting in significant future charges, including potential warranty losses or other unexpected liabilities, or a significant disruption of our operations;
- the impact of future epidemics or pandemics on our business, including the potential for new or continued job site closures or work stoppages, supply chain disruptions, delays in awarding new project bids, construction delays, reduced demand for our services, delays in our ability to collect from our customers, or illness of management or other employees;
- an increased cost of surety bonds affecting margins on work and the potential for our surety providers to refuse bonding or require additional collateral at their discretion;
- the impact of seasonality, adverse weather conditions, and climate change;

- fluctuations in operating activity due to factors such as cyclical, downturns in levels of construction or the housing market, and differing regional economic conditions;
- difficulties in managing our billings and collections;
- accidents resulting from the physical hazards associated with our work and the potential for accidents;
- the possibility that our current insurance coverage may not be adequate or that we may not be able to obtain policies at acceptable rates;
- the effect of litigation, claims and contingencies, including warranty losses, damages or other latent defect claims in excess of our existing reserves and accruals;
- costs and liabilities under existing or potential future laws and regulations, including those laws and regulations related to the environment and climate change, as well as the inability to transfer, renew and obtain electrical and other professional licenses;
- interruptions to our information systems and cyber security or data breaches;
- expenditures to conduct environmental remediation activities required by certain environmental laws and regulations;
- loss of key personnel, ineffective transition of new management, or general labor constraints;
- credit and capital market conditions, including changes in interest rates that affect the cost of construction financing and mortgages, and the inability of some of our customers to obtain sufficient financing at acceptable rates, which could lead to project delays or cancellations;
- limitations on our ability to access capital markets and generate cash from operations to fund our working capital needs and capital expenditures, to complete acquisitions, and for debt service;
- the impact on our effective tax rate or cash paid for taxes from changes in tax positions we have taken or changes in tax laws;
- difficulty in fulfilling the covenant terms of our revolving credit facility, including liquidity, and other financial requirements, which could result in a default and acceleration of any indebtedness under such revolving credit facility;
- reliance on certain estimates and assumptions that may differ from actual results in the preparation of our financial statements;
- uncertainties inherent in the use of percentage-of-completion accounting, which could result in the reduction or elimination of previously recorded revenues and profits;
- the recognition of potential goodwill, long-lived assets and other investment impairments;
- the existence of a controlling shareholder, who has the ability to take action not aligned with other shareholders or to dispose of all or a significant portion of the shares of our common stock it holds, which may trigger certain change of control provisions in a number of our material agreements, including our financing and surety arrangements and our executive severance plan;
- the relatively low trading volume of our common stock, which could increase the volatility of our stock price and could make it more difficult for shareholders to sell a substantial number of shares for the same price at which shareholders could sell a smaller number of shares;
- the possibility that we issue additional shares of common stock, preferred stock or convertible securities that will dilute the percentage ownership interest of existing stockholders and may dilute the value per share of our common stock;
- the potential for substantial sales of our common stock, which could adversely affect our stock price;
- the impact of increasing scrutiny and changing expectations from investors and customers, or new or changing regulations, with respect to environmental, social and governance practices;
- the cost or effort required for our shareholders to bring certain claims or actions against us, as a result of our designation of the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings; and
- the possibility that our internal controls over financial reporting and our disclosure controls and procedures may not prevent all possible errors that could occur.

You should understand that the foregoing, as well as other risk factors discussed in this document, including those listed in Part I, Item 1A. “*Risk Factors*” of this Annual Report on Form 10-K could cause future outcomes to differ materially from those experienced previously or those expressed in such forward-looking statements. We undertake no obligation to publicly update or revise any information, including information concerning our controlling shareholder, borrowing availability or cash position, or any forward-looking statements to reflect events or circumstances that may arise after the date of this report. Forward-looking statements are

provided in this Annual Report on Form 10-K 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.

Item 1. *Business*

OVERVIEW

IES Holdings, Inc. 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 operations are organized into four business segments, based upon the nature of our services:

- Communications – Nationwide provider of technology infrastructure services, including the design, build, and maintenance of the communications infrastructure within data centers for co-location and managed hosting customers, for both large corporations and independent businesses.
- Residential – Regional provider of electrical installation services for single-family housing and multi-family apartment complexes, as well as heating, ventilation and air conditioning (HVAC) and plumbing installation services in certain markets.
- Infrastructure Solutions – Provider of electro-mechanical solutions for industrial operations, including apparatus repair and custom-engineered products, such as generator enclosures used in data centers and other industrial applications.
- Commercial & Industrial – Provider of electrical and mechanical design, construction, and maintenance services to the commercial and industrial markets in various regional markets and nationwide in certain areas of expertise, such as the power infrastructure market and data centers.

While sharing common goals and values, each of the Company's segments manages its own day-to-day operations. Our corporate office is focused on significant capital allocation decisions, investment activities and selection of segment leadership. The corporate office also assists with strategic and operational improvement initiatives, talent development, sharing of best practices across the organization and the establishment and monitoring of risk management practices within our segments.

IES Holdings, Inc. is a Delaware corporation established in 1997 and headquartered in Houston, Texas, with an executive office in Greenwich, Connecticut.

CORPORATE STRATEGY

We seek to create shareholder value by growing our business through increasing our market share, geographic and market expansion and adding to our capabilities, as well as improving operating margins and generating free cash flow, by investing in our existing businesses and completing acquisitions. We primarily seek to acquire businesses that strategically complement our existing business segments. In addition, we may seek to acquire or invest in stand-alone platform companies based in North America. In evaluating potential acquisition candidates, we seek to invest in businesses with, among other characteristics:

- proven management with a willingness to continue post-acquisition;
- low technological and/or product obsolescence risk;
- established market position and sustainable competitive advantages; and
- strong cash flow characteristics.

We believe that acquisitions provide an opportunity to expand into new or related services, products, end markets or geographic areas and diversify our revenue and profit streams. While we may use acquisitions to build our presence in the industries we serve, we will also consider potential acquisitions in other industries, which could result in changes in our operations from those historically conducted by us.

OPERATING SEGMENTS

The Company's reportable segments consist of the consolidated business segments identified above, which offer different services and are managed separately. The table below describes the percentage of our total revenues attributable to each of our four segments over each of the last three years (percentage columns may not add due to rounding):

	Year Ended September 30,					
	2024		2023		2022	
	\$	%	\$	%	\$	%
	(Dollars in thousands, Percentage of revenues)					
Communications	\$ 776,474	26.9 %	\$ 600,776	25.3 %	\$ 559,777	25.8 %
Residential	1,388,840	48.2 %	1,279,504	53.8 %	1,131,414	52.2 %
Infrastructure Solutions	351,096	12.2 %	217,353	9.1 %	167,113	7.7 %
Commercial & Industrial	367,948	12.8 %	279,594	11.8 %	308,504	14.2 %
Total Consolidated	\$ 2,884,358	100.0 %	\$ 2,377,227	100.0 %	\$ 2,166,808	100.0 %

For additional financial information by segment, see Note 11, "Operating Segments" in the notes to our Consolidated Financial Statements.

Communications

Business Description

Originally established in 1984, our Communications segment is a leading provider of network infrastructure solutions for data centers and other mission critical environments. Our services include the design, installation and maintenance of network infrastructure for leading and recognizable global technology, social networking and e-commerce brands, including many Fortune 100 and 500 corporations. We serve a variety of industries and end markets, including data centers for co-location and managed hosting customers; corporate, educational, financial, hospitality and healthcare buildings; e-commerce distribution centers; and high-tech manufacturing facilities. We also provide the design and installation of audio/visual, telephone, fire, wireless access and intrusion alarm systems, as well as design/build, service and maintenance of data network systems. We perform services across the United States from our 24 offices, which includes the segment headquarters located in Tempe, Arizona, and also provide dedicated onsite teams at our customers' sites.

Industry Overview

Our Communications segment is driven by demand for computing and storage resources as a result of technology advancements and obsolescence and changes in data consumption patterns. Demand in the data center market remains strong, and we continue to provide technology infrastructure services for applications such as data centers, distribution centers, and high-tech manufacturing facilities. As technology evolves, we are focused on expanding our capabilities as an integrator of audio-visual and other building technology offerings, which continue to experience strong demand. At September 30, 2024, our Communications business has a record level of backlog. However, if customers in our end markets reduce their capital budgets due to economic, technological or other factors, this could result in a decrease in activity for our Communications segment. While demand remains strong across our key end markets, the pace of growth in this business may also be slowed by the availability of labor.

Sales and Marketing

Our sales strategy relies on a concentrated business development effort, with centralized marketing programs and direct end-customer communications and relationships. Due to the mission critical nature of the facilities we service, our end-customers significantly rely upon our past performance record, technical expertise and specialized knowledge. A significant portion of our Communications business volume is generated from long-term, repeat customers, some of whom use IES as a preferred provider for major projects.

Our long-term strategy is to improve our position as a preferred solutions and services provider to large national corporations and strategic local companies. Key elements of our long-term strategy include continued investment in our employees' technical expertise and expansion of our on-site maintenance and recurring revenue model, as well as opportunistic acquisitions of businesses that serve our markets, consistent with our stated corporate strategy.

Competition

Our competition consists of both large national or regional competitors and small, privately owned contractors who generally have limited access to capital. We compete on quality of service and/or price and seek to emphasize our financial capabilities and long history of delivering high quality solutions to our customers.

Seasonality and Quarterly Fluctuations

The effects of seasonality on our Communications business are not significant, as work generally is performed inside structures protected from the weather. Our service and maintenance business is also generally not affected by seasonality. However, communications infrastructure spending has historically been highly cyclical. Our volume of business may be adversely affected by declines in projects resulting from adverse regional or national economic conditions. Quarterly results may also be materially affected by the timing of new construction projects. Accordingly, operating results for any fiscal period are not necessarily indicative of results that may be achieved for any subsequent fiscal period.

Residential

Business Description

Originally established in 1973, our Residential segment is a leading provider of electrical installation services for single-family housing and multi-family apartment complexes, as well as HVAC and plumbing installation services in certain markets, and cable television installations for residential and light commercial applications. The Residential segment also provides services for the installation of residential solar power, both for new construction and existing residences. The Residential segment is made up of 75 total locations, which include the segment headquarters in Houston, Texas. These locations geographically cover the Sun-Belt, Western, Mid-Atlantic, Midwest and Northeastern regions of the United States.

Industry Overview

Our Residential business is closely correlated to the single and multi-family housing market. Although demand for both single-family and multi-family housing has increased in recent years, due to economic, technological or other factors, there can be no assurance that overall construction and demand will continue to increase in the future. In our single-family business, we remain cautious about demand for single-family housing, as elevated mortgage rates and the impacts of inflation on materials and labor costs have resulted in a decline in housing affordability. In addition, expectations of falling interest rates over the next year could cause consumers to delay home purchases in anticipation of lower mortgage costs. However, in the longer term, we still expect strong demand for new single-family housing. In our multi-family business, elevated interest rates in fiscal 2024 and tighter lending conditions for project owners have resulted in a reduction in backlog at September 30, 2024 compared with September 30, 2023. As a result, we expect a reduction in multi-family revenue for fiscal 2025 compared with fiscal 2024.

Sales and Marketing

Demand for our Residential services is highly dependent on the number of single-family and multi-family home starts in the markets we serve. Although we operate in multiple states, the majority of our single-family revenues are derived from services provided in Texas and Florida. The majority of our multi-family revenue is earned in Texas and across the Mid-Atlantic and Southeast regions. Our sales efforts include a variety of strategies, including a concentrated focus on national and regional homebuilders and multi-family developers and a local sales strategy for single and multi-family housing projects. A significant portion of our Residential business volume is generated from long-term, repeat customers, some of whom use IES as a preferred provider for major projects.

Our long-term strategy is to continue to be a leading provider of electrical services to the residential market, and to continue to expand our offerings of plumbing and HVAC services into markets where we previously offered only electrical services, while also expanding all service offerings into new geographic markets. The key elements of our long-term strategy include a continued focus on maintaining a low and variable cost structure and cash generation, allowing us to effectively scale according to the housing cycle, and to opportunistically increase our market share.

Competition

Our competition primarily consists of small, privately owned contractors who generally have limited access to capital. We believe that we have a competitive advantage over these smaller competitors due to our key employees' long-standing customer relationships, our financial capabilities, our employee training program, and our local market knowledge and competitive pricing. There are few barriers to entry for electrical contracting services in the residential markets.

Seasonality and Quarterly Fluctuations

Results of operations from our Residential segment can be seasonal, depending on weather trends, with typically higher revenues generated during spring and summer and lower revenues during fall and winter. In addition, the construction industry has historically been highly cyclical. Our volume of business may be adversely affected by declines in multi-family occupancy rates as well as single-family housing starts within our operational footprint. Quarterly results may also be materially affected by the timing of new construction projects. Accordingly, operating results for any fiscal period are not necessarily indicative of results that may be achieved for any subsequent fiscal period.

Infrastructure Solutions

Business Description

Our Infrastructure Solutions segment provides electro-mechanical solutions for industrial operations to domestic and international customers. Our Custom Engineered Solutions business includes the manufacture of custom commercial and industrial generator enclosures, the manufacture of custom-engineered power distribution equipment, including metal enclosed bus duct solutions used in power distribution, and structural steel fabrication and services. Our Industrial Services business includes the maintenance and repair of alternating current (AC) and direct current (DC) electric motors and generators, as well as power generating and distribution equipment; the manufacture, re-manufacture, and repair of industrial lifting magnets; and maintenance and repair of railroad main and auxiliary generators, main alternators, and traction motors.

This segment serves the steel, railroad, marine, petrochemical, pipeline, pulp and paper, wind energy, mining, automotive, power generation, scrap yards, data center, and utility industries. Our Infrastructure Solutions segment is comprised of 13 locations in Alabama, Georgia, Illinois, Indiana, Ohio, Oklahoma, Pennsylvania, South Carolina and West Virginia, and is headquartered in Massillon, Ohio.

Industry Overview

Given the diverse end-markets of Infrastructure Solutions' customers, we are subject to many economic trends. In general, demand for our services has been driven by growth in industries, such as data centers, in-house maintenance departments continuing to outsource maintenance and repair work, output levels and equipment utilization at heavy industrial facilities, railroad companies' and mass transit authorities' capital investments and repair needs, investment in the United States' aging energy and industrial infrastructure, demand for critical power applications that have high power demands and require dependable power supplies, the need for electrical or pipeline infrastructure improvements and the overall health of the economy.

Sales and Marketing

Our sales efforts are primarily driven by personnel based at our operating locations, as well as independent sales representatives. Our custom-engineered power distribution, bus system and generator enclosure products and services are principally sold in partnership with an original equipment manufacturer ("OEM") or to an engineering, procurement and construction firm on behalf of the end-user. Regarding our apparatus repair services, the majority of our customers are located within a 200-mile radius of our facilities, and we believe that the locations of our facilities allow us to rapidly address and respond to the needs of our customers. Our long-term strategy is to be a leader in custom-engineered metal enclosed bus systems and generator enclosures and the preferred solutions provider of outsourced electro-mechanical services, repairs, and manufacturing to our select markets.

Competition

Our competition ranges from small, single location service centers to large, multi-national companies. Our Custom Engineered Solutions business competes with domestic and international manufacturers and distributors. We believe that we have a competitive advantage due to our specific product offerings, geographic proximity to customer sites, and our ability to design high quality products to meet each customer's unique requirements. Our Industrial Services business competes with small, specialized manufacturing and repair shops, a limited number of other multi-location providers of electric motor repair, engineering and maintenance services, and various OEMs. Participants in this industry compete primarily on the basis of capabilities, service, quality, timeliness and price. We believe that we have a competitive advantage due to our breadth of capabilities, focus on quality, technical support, customer service, and financial resources.

Seasonality and Quarterly Fluctuations

Infrastructure Solutions' revenues from its custom-engineered bus systems and generator enclosures are affected by the timing of customers' capital spending projects. Revenues from industrial services may be affected by the timing of scheduled outages at its industrial customers' facilities and by weather conditions with respect to projects conducted outdoors, but the effects of seasonality on revenues in its industrial services business are not significant. Infrastructure Solutions' quarterly results may fluctuate, and the results of one fiscal quarter may not be representative of the results of any other quarter or of the full fiscal year.

Commercial & Industrial

Business Description

Our Commercial & Industrial segment provides electrical and mechanical design, service, and construction services to commercial and industrial markets. Our construction services range from the initial planning and procurement to installation and start-up and are offered to a variety of new and remodel construction projects, ranging from the construction of office buildings and industrial facilities to transmission and distribution projects. Our design services range from budget assistance to providing design-build and LEED (Leadership in Energy & Environmental Design) solutions to our end customers. Our maintenance and emergency services include

critical plant shutdown, troubleshooting, emergency testing, preventative maintenance, and constant presence. We also provide mechanical services such as maintenance agreements, installation, or replacement of mechanical equipment for commercial and industrial facilities.

This segment provides services for a variety of project types, including office buildings, manufacturing facilities, data centers, wind farms, solar facilities, municipal infrastructure and health care facilities. The Commercial & Industrial segment consists of 17 locations, which includes the segment headquarters in Houston, Texas. Geographically, these locations cover Texas, Nebraska, Oregon, Wisconsin, and the Southeast and Mid-Atlantic regions.

Industry Overview

Given the diverse end markets of our Commercial & Industrial customers, which include both commercial buildings, such as offices, healthcare facilities and schools, and industrial projects, such as power, agricultural and food processing, and heavy manufacturing facilities, we are subject to many trends within the construction industry. In general, demand for our Commercial & Industrial services is driven by construction and renovation activity levels, economic growth, and availability of bank or other financing. Due to economic, technological or other factors, there can be no assurance that construction and demand will increase.

Sales and Marketing

Our sales focus varies by location, but is primarily based upon regional and local relationships and a demonstrated expertise in certain areas, such as heavy industrial, design-build, agricultural, or transmission and distribution. Our maintenance and certain renovation and upgrade work tends to be either recurring or experience lower sensitivity to economic cycles, or both. A significant portion of our larger projects is awarded from long-term, repeat customers. From time to time, we are contracted on projects with completion times extending beyond one year or over several years, which are generally more complex and difficult to estimate.

Competition

The electrical and mechanical contracting services industry is generally highly competitive and includes a number of regional or small privately-held local firms. Traditionally, competitors in certain parts of this market have faced few barriers to entry. Therefore, we seek to pursue projects where our access to capital and expertise provide a competitive advantage.

Industry expertise, project size, location and past performance determine our bidding strategy, the level of involvement from competitors and our level of success in bidding for new work. Our primary advantages vary by location and market, but mostly are based upon local individual relationships with key customers or a demonstrated industry expertise. Additionally, due to the size of many of our projects, our financial resources help us compete effectively against local competitors.

Seasonality and Quarterly Fluctuations

The effects of seasonality on our Commercial & Industrial business are not significant, as most of our work generally is performed inside structures protected from the weather. However, we do perform some work outdoors, which can be affected by the weather. Most of our service and maintenance business is also generally not affected by seasonality. However, the construction industry has historically been highly cyclical. Our volume of business may be adversely affected by declines in construction projects resulting from adverse regional or national economic conditions. Quarterly results may also be materially affected by the timing of new construction projects. Accordingly, operating results for any fiscal period are not necessarily indicative of results that may be achieved for any subsequent fiscal period.

SOURCES OF SUPPLY

The raw materials and components we use within our segments include, but are not limited to, electrical fixtures and system components, copper, aluminum, raw steel, and certain plastics. These raw materials and components are generally available from a variety of domestic suppliers at competitive prices. Delivery times are typically short for most raw materials and standard components, but during periods of peak demand, may extend to one month or more. Fluctuations in lead times in sourcing certain components may lead to project inefficiencies resulting from schedule extensions. We are also exposed to increases in the prices of certain commodities. Our strategy to reduce commodity cost exposure includes early buying of commodities for particular projects or general inventory, as well as including escalation and escape provisions in project bids, quotes and contracts wherever possible. However, such protections are not included in every contract or project, and in such cases, we may not be fully reimbursed for increases in commodity prices by our customers and may be exposed to commodity price volatility on longer-term projects where we have prepaid for commodities.

RISK MANAGEMENT

The primary risks in our existing operations include project bidding and management, bodily injury, property and environmental damage, and construction defects. We monitor project bidding and management practices at various levels within the Company. We

maintain automobile, general liability and construction defect insurance for third-party health, bodily injury and property damage, as well as pollution coverage and workers' compensation coverage, which we consider appropriate to insure against these risks. Our third-party insurance is subject to deductibles for which we establish reserves. In light of these risks, we are also committed to a strong safety and environmental compliance culture. We have a robust safety program, and seek to maintain standardized safety and environmental policies and procedures. We are also subject to cyber security and information theft risks in our operations, which we seek to manage through a cyber and information security program, training and insurance coverage. Given the dynamic and evolving nature of cyber threats, we cannot be assured that we are protected against all such threats.

In the electrical contracting industry, our ability to post surety bonds provides us with an advantage over competitors that are smaller or have fewer financial resources. We believe that the strength of our balance sheet, as well as a good relationship with our bonding providers, enhances our ability to obtain adequate financing and surety bonds, although there can be no assurance that surety bonding coverage will be available when we need it. For a further discussion of our risks, please refer to Item 1A. "Risk Factors" of this Annual Report on Form 10-K.

CUSTOMERS

We have a diverse customer base. During both of the years ended September 30, 2024 and 2023, one customer accounted for 12.0% of our consolidated revenues and no other customer accounted for more than 10% of our consolidated revenues. No single customer accounted for more than 10% of our consolidated revenues during the year ended September 30, 2022. We emphasize developing and maintaining relationships with our customers by providing superior, high-quality service. Management at each of our segments is responsible for determining sales strategies and sales activities.

CONTROLLING SHAREHOLDER

A majority of our outstanding common stock is owned by Tontine Associates, L.L.C. ("Tontine Associates") and its affiliates (collectively, "Tontine"). Tontine owns approximately 55 percent of our outstanding common stock based on a Form 4 filed by Tontine with the United States Securities and Exchange Commission (the "SEC") on September 16, 2024, and the Company's shares outstanding as of November 18, 2024. As a result, Tontine can control most of our affairs, including most actions requiring the approval of shareholders, such as the approval of any potential merger or sale of all or substantially all of the Company's assets or business segments, or the Company itself. Most of Tontine's shares are registered for resale on a resale shelf registration statement filed by the Company with the SEC. Tontine's sale of all or a significant portion of its shares could result in a change of control of the Company, which would trigger the change of control provisions in a number of our material agreements, including our credit agreement, bonding agreements with our sureties and our executive severance plan. For more information, see Note 3, "Controlling Shareholder" in the notes to our Consolidated Financial Statements.

REMAINING PERFORMANCE OBLIGATIONS AND BACKLOG

Remaining performance obligations represent the unrecognized revenue value of our contract commitments. While backlog is not a defined term under accounting principles generally accepted in the United States of America ("GAAP"), it is a common measurement used in our industry, and we believe it improves our ability to forecast future results and identify operating trends that may not otherwise be apparent. Backlog is a measure of revenue that we expect to recognize from work that has yet to be performed on uncompleted contracts and from work that has been contracted but has not started, exclusive of short-term projects. While all of our backlog is supported by documentation from customers, backlog is not a guarantee of future revenues, as contractual commitments may change and our performance may vary. Not all of our work is performed under contracts included in backlog; for example, most of the apparatus repair work that is completed by our Infrastructure Solutions segment is performed under master service agreements on an as-needed basis. Additionally, electrical installation services for single-family housing at our Residential segment are completed on a short-term basis and are therefore excluded from backlog. The table below summarizes our remaining performance obligations and backlog by segment:

	September 30,					
	2024			2023		
	Remaining Performance Obligations	Agreements without an enforceable obligation ⁽¹⁾	Backlog	Remaining Performance Obligations	Agreements without an enforceable obligation ⁽¹⁾	Backlog
	(Dollars in millions)					
Communications	\$ 448,783	\$ 66,878	\$ 515,661	\$ 369,928	\$ 42,239	\$ 412,167
Residential	329,364	95,124	424,488	414,179	103,657	517,836
Infrastructure Solutions	100,815	426,749	527,564	109,082	240,683	349,765
Commercial & Industrial	296,733	21,708	318,441	250,234	28,010	278,244
Total	\$ 1,175,695	\$ 610,459	\$ 1,786,154	\$ 1,143,423	\$ 414,589	\$ 1,558,012

(1) Our backlog includes signed agreements and letters of intent that we do not have a legal right to enforce prior to beginning work. These agreements are excluded from remaining performance obligations until work begins.

We expect that \$1.3 billion of our September 30, 2024 backlog will result in revenue during fiscal 2025, with the remaining \$0.5 billion expected to be realized in fiscal 2026; however, there can be no assurance that this backlog will be completed within expected time frames or at all. The increase in our backlog year over year was primarily driven by strong demand and increased market share.

REGULATIONS

Our operations are subject to various federal, state and local laws and regulations, including:

- licensing requirements applicable to electricians, plumbers, and mechanical service technicians;
- building and electrical codes;
- regulations relating to worker safety, labor relations and protection of the environment;
- regulations relating to consumer protection, including those governing residential service agreements; and
- qualifications of our business legal structure in the jurisdictions where we do business.

Many state and local regulations governing electricians and mechanical services require permits and licenses to be held by individuals engaged in such services. In some cases, a required permit or license held by a single individual may be sufficient to authorize specified activities for all our electricians or mechanical service technicians who work in the state or county that issued the permit or license. While we seek permits or licenses, where available, that may be material to our operations in a particular geographic area to be held by multiple employees within that area, given the large number of permits and licenses required, we are unable to ensure that multiple employees hold such required permits and licenses.

We believe that we have all licenses required to conduct our operations and are in material compliance with applicable regulatory requirements. Failure to comply with applicable regulations could result in substantial fines or revocation of our operating licenses or an inability to perform government work.

CAPITAL FACILITIES

During fiscal year 2024, the Company maintained a revolving credit facility, as further described in Item 7. “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources*” of this Annual Report on Form 10-K. For a discussion of the Company’s capital resources, see Item 7. “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources*” of this Annual Report on Form 10-K.

FINANCIAL INFORMATION

For the Company’s financial information by segment, see Note 11, “Operating Segments” in the notes to our Consolidated Financial Statements.

HUMAN CAPITAL MANAGEMENT

At IES, we believe that attracting and retaining highly qualified and motivated employees at all levels is a key driver of our continued growth and success. Our human capital management objectives include recruiting, retaining, developing, incentivizing and integrating our current and prospective employees as well as prioritizing and protecting their safety.

Our Employees

At September 30, 2024, we had 9,485 employees, of which 9,423 were full-time employees. We are party to two collective bargaining agreements covering fewer than 30 employees within our Infrastructure Solutions segment. We have not experienced, and do not expect, any work stoppage, and we believe that our relationship with our employees is strong.

We are committed to diversity and inclusion in the workplace, and our policies prohibit discrimination based on race, color, sex, gender, gender identity, sexual orientation, religion, marital status, national origin, ethnicity, citizenship status, religious creed or belief, physical or mental disability, protected veteran status and relatives of protected veterans, marital or familial status, legally protected medical condition, genetic information and any other status protected by local, state or federal law. This commitment applies to all aspects of employment, including recruitment, hiring, training, compensation, job assignment, advancement, performance feedback and separation.

We strive to support our employees’ and their families’ health by offering comprehensive benefits programs, including medical, dental, vision and prescription insurance. We also offer our employees a 401(k) plan, and life and disability insurance plans.

Recruiting and Training

A key factor in IES’s long-term strategy is the recruitment and retention of high-quality employees. We use both internal and external resources to recruit employees, including monitoring competitive compensation levels in the markets in which we operate. Our Communications segment has entered into a partnership with the U.S. Army to guarantee job interviews to those who have completed Army Reserve training or a first term of active duty service, and we value the leadership and work ethic military veterans bring to the Company.

We have invested significant resources in development opportunities for employees. For example, our Residential segment has established two residential education centers, which are dedicated facilities that train employees from around the country in the technical skills necessary for successful careers in residential electrical, plumbing and HVAC contracting. At all of our segments, partly in response to the COVID-19 pandemic, we expanded online training offerings to help meet the needs of our changing workplaces. We believe our investment in training supports employee motivation and retention at the same time that it improves productivity and performance.

Safety

We are committed to fostering a strong safety culture that supports the health, safety and wellness of our employees, and this commitment is reflected in our track record of workplace safety that exceeds industry averages. Our regional safety managers, under the supervision of our Senior Vice President of Safety, seek to maintain standardized safety and environmental policies, programs and procedures and provide personal protective equipment relevant to each segment, including programs to train new employees. Our safety leadership continuously monitors and addresses safety performance, provides regular training and educational programs on safety and participates in numerous industry safety organizations.

LOCATIONS

As of September 30, 2024, we have 131 domestic locations. In addition to our 2 executive and corporate offices, as of September 30, 2024, we have 24 locations within our Communications business, 75 locations within our Residential business, 13 locations within our Infrastructure Solutions business and 17 locations within our Commercial & Industrial business. This geographic diversity helps to reduce our exposure to unfavorable economic developments in any given region.

EXECUTIVE OFFICERS OF THE REGISTRANT

Certain information with respect to each executive officer is as follows:

Jeffrey, L. Gendell, 65, has served as the Chief Executive Officer of the Company since October 1, 2020; he previously served as Interim Chief Executive Officer from July 31, 2020 to September 30, 2020. Mr. Gendell has also served as a director and as Chairman of the Board since November 2016. Mr. Gendell is the founder and managing member of Tontine, our controlling shareholder. Mr. Gendell formed Tontine in 1995 and manages all of the investment decisions at the firm. Prior to forming Tontine, Mr. Gendell held senior investment management positions at several other private investment firms, including Odyssey Partners, L.P., and began his career in investment banking over 40 years ago at Smith Barney, Harris Upham & Co., where he was involved in capital markets, corporate finance and M&A activity.

Matthew J. Simmes, 49, has served as President and Chief Operating Officer of the Company since December 7, 2023; he previously served as Chief Operating Officer of the Company from December 3, 2021 to December 6, 2023. Mr. Simmes has spent 31 years at IES and its predecessors in a variety of roles. He served as President of IES Communications from January 2017 to December 2021 and as Vice President of Operations of the segment from March 2007 to December 2016.

Tracy A. McLaughlin, 55, has served as Senior Vice President, Chief Financial Officer and Treasurer of the Company since May 2015. She previously served as Vice President and Chief Accounting Officer of the Company since February 2014. Prior to joining IES, Ms. McLaughlin served as Vice President and Chief Accounting Officer of Rockwater Energy Solutions, Inc. from June 2011 to November 2013. From June 2004 to June 2011, Ms. McLaughlin was employed by Dynege Inc., where she served as Senior Vice President and Controller from March 2009 to June 2011 and from June 2004 to March 2009 served in various other capacities in finance and accounting. She began her career with PricewaterhouseCoopers LLP after receiving her Master of Accounting from Rice University. Ms. McLaughlin is a Certified Public Accountant.

Mary K. Newman, 44, has served as Vice President, General Counsel and Corporate Secretary of the Company since December 2019. Prior to joining IES, Ms. Newman was a Partner with the law firm of Dinsmore & Shohl, LLP from January 2017 to November 2019 and was an Associate from September 2011 to December 2016, where her practice focused on representing public and private companies in corporate transactions, including mergers, acquisitions and dispositions. She began her legal career with the law firm of Sullivan & Cromwell LLP after receiving her J.D. from Harvard Law School and B.A. from Duke University.

We have adopted a Code of Ethics for Financial Executives that applies to our principal executive officer, principal financial officer and principal accounting officer. The Code of Ethics may be found on our website at www.ies-corporate.com/governance-documents. If we make any substantive amendments to the Code of Ethics or grant any waiver, including any implicit waiver, from a provision of the Code of Ethics to our principal executive officer, principal financial officer or principal accounting officer, we will disclose the nature of such amendment or waiver on that website or in a Current Report on Form 8-K. Paper copies of these documents are also available free of charge upon written request to us.

AVAILABLE INFORMATION

General information about us can be found on our website at www.ies-co.com under “Investor Relations.” We file our interim and annual financial reports, as well as other reports required by the Securities Exchange Act of 1934, as amended (the “Exchange Act”), with the SEC.

Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as any amendments and exhibits to those reports are available free of charge through our website as soon as it is reasonably practicable after we file them with, or furnish them to, the SEC. You may also contact our Investor Relations department which will provide you with a copy of these reports, or you may find them at www.ies-corporate.com/financial-information/sec-filings. The materials that we file with the SEC are also available free of charge through the SEC’s website at www.sec.gov.

In addition to the Code of Ethics for Financial Executives, we have adopted a Code of Business Conduct and Ethics for directors, officers and employees (the Legal Compliance and Corporate Policy Manual), and established Corporate Governance Guidelines and

adopted charters outlining the duties of our Audit, Human Resources and Compensation and Nominating/Governance Committees, copies of which may be found on our website. Paper copies of these documents are also available free of charge upon written request to us.

Item 1A. Risk Factors

You should consider carefully the risks described below, as well as the other information included in this document before making an investment decision. Our business, results of operations or financial condition could be materially and adversely affected by any of these risks, and the value of your investment may decrease due to any of these risks.

Risks Relating to the Operations of our Business

Demand for our services is cyclical and vulnerable to economic downturns affecting the industries we serve.

Demand for our services has been, and will likely continue to be, cyclical in nature and vulnerable to downturns in the construction industry, the housing market, and other industries in which our end customers operate. Many of our customers depend on the availability of credit to purchase our services or electrical and mechanical products. In the past, when the general level of economic activity has been reduced from historical levels, certain of our customers have delayed or cancelled projects or capital spending, thereby reducing our revenues and profitability. General concerns about the fundamental soundness of the economy may cause customers to defer projects, even if they have credit available to them. Prolonged uncertainties in the credit market, or the return of constrained credit market conditions, including the impact of interest rates in the housing markets, could adversely affect demand, which would have adverse effects on our financial condition and results of operations.

We could be adversely impacted by changes in general economic conditions, including the effects of inflation, supply chain constraints, and an economic downturn or recession.

Our business and the industries in which we operate are vulnerable to changing macroeconomic conditions, including supply chain constraints, high rates of inflation, changes in consumer sentiment, elevated interest rates, and market disruptions resulting from a number of factors, including geo-political events such as the Ukraine-Russia war, the conflict in the Middle East, and trade tensions between the U.S. and China. These and other market factors have negatively impacted, and may continue to negatively impact, our revenues and our cost for labor, materials, utilities, and other goods and services as well as our ability to collect on our outstanding receivables, to the extent our customers are affected by the same negative conditions. Further, if the U.S. economy experiences a downturn or recession, our customers may be unable to obtain financing for new projects, or they may decide to delay or cancel projects even if they have credit available to them. As a result, these conditions have had, and they or any similar future conditions may continue to have, adverse impacts on our business, financial condition and results of operations.

The highly competitive nature of our industries could affect our profitability by reducing our revenues or profit margins.

The industries in which we compete are highly fragmented and are generally served by many small, owner-operated private companies. There are also several large private regional companies and a small number of large public companies from which we face competition in these industries. In the future, we could also face competition from new competitors entering these markets because certain segments, such as our electrical contracting services, have a relatively low barrier for entry while other segments, such as our services and custom engineered electro-mechanical products for mission critical infrastructure, have attractive growth and profitability characteristics. Some of our competitors in certain markets may offer a greater range of services than we offer in those markets, including mechanical construction and facilities management. Competition in our markets depends on a number of factors, including price. Some of our competitors may have lower overhead cost structures and may, therefore, be able to provide services comparable to ours at lower rates than we do. If we are unable to offer our services at competitive prices or if we have to reduce our prices to remain competitive, our profitability would be impaired.

We generate a significant portion of our revenues under fixed price contracts. The estimates we use in placing bids and changes in commodity and labor costs could have an adverse effect on our ability to maintain our profitability.

We currently generate, and expect to continue to generate, a significant portion of our revenues under fixed price contracts. The cost of fuel, labor and materials, including copper wire or other commodities, may vary significantly from the costs we originally estimate. Variations from estimated contract costs along with other risks inherent in performing fixed price contracts, including our ability to successfully manage and execute projects, have in the past resulted in, and may in the future result in, actual revenue and gross profits for a project differing from those we originally estimated and could result in losses on projects. Depending upon the size of a particular project, variations from estimated contract costs can have a significant impact on our operating results.

If the costs associated with labor and commodities, such as copper, aluminum, steel, electrical components, fuel, and certain plastics, increase due to low supply, inflation, general market conditions, supply chain disruptions and delays, or other forces, losses may be incurred. Some of our materials have been and may continue to be subject to sudden and significant price increases, and continued high demand and low supply for those resources may lead to additional price increases. Depending on competitive pressures and the fixed price nature of many of our contracts, we may not be able to pass on these cost increases to our customers, which would reduce our gross profit margins and, in turn, make it more difficult for us to maintain our profitability. We have a work force of over 9,000 employees, and our labor costs may fluctuate based on availability of and demand for workers as well as other labor related risks, including risks related to collective bargaining agreements, benefits arrangements, increased healthcare costs, wage and hour claims and other compensation arrangements.

A failure to secure new contracts may adversely affect our cash flows and financial results.

Much of our revenue is derived from projects that are awarded through a competitive bid process. Contract bidding and negotiations are affected by a number of factors, including our own cost structure and bidding policies. The failure to bid and be awarded projects, cancellations of projects or delays in project start dates could affect our ability to deploy our assets profitably. In addition, our ability to secure new contracts depends on our ability to maintain all required electrical, construction, mechanical and business licenses. If we fail to successfully transfer, renew or obtain such licenses where applicable, we may be unable to compete for new business. Further, when we are awarded contracts, we face additional risks that could affect whether, or when, work will begin. We could experience a decrease in profitability if we are unable to replace canceled, completed or expired contracts with new work.

We derive a meaningful portion of our revenues from a small number of customers, and the loss of one or more of these customers could adversely affect our revenues, results of operations, and financial condition.

We have one customer that represented approximately 12.0% of our consolidated revenue in fiscal 2024, and there are other customers that are significant to our individual operating segments. Although we have long-standing relationships with some of these significant customers, it is not possible for us to predict the future level of demand for our services by these customers, and if one or more of them were to significantly delay, reduce or curtail activity, or stop accepting bids from us, it could have a material impact on our operating results.

We rely on third parties, including subcontractors and suppliers, in connection with many of our projects and a failure to retain subcontractors or obtain supplies, or increased costs as a result of using these third parties, could adversely impact our revenues, results of operations, and financial condition.

We hire third-party subcontractors to perform work on certain of our projects, and if we are unable to retain qualified subcontractors or if our subcontractors do not perform in accordance with their obligations, we have in the past incurred, and may in the future incur, additional costs or experience delays in project execution, which could subject us to contractual penalties. We also rely on suppliers for the materials necessary to complete our projects, and if a supplier fails to provide supplies when scheduled or at a higher than price than expected, project delays and additional costs could have an adverse effect on our operating results.

Our inability to carry out plans and strategies as expected, including our inability to identify and complete acquisitions and investments that meet our investment criteria in furtherance of our corporate strategy or the subsequent underperformance of those acquisitions and investments, may adversely impact our future growth and profitability.

Our corporate strategy includes creating shareholder value through acquiring businesses that we believe will strategically complement our existing business segments or acquiring or investing in stand-alone platform companies based in North America. While we believe that acquisitions will provide an opportunity to expand into new or related services, products, end-markets or geographic areas and diversify our revenue and profit streams, potential acquisitions could result in changes in our operations from those historically conducted by us and introduce the requirement for new controls. Alternatively, our failure to diversify from existing markets may limit our future growth. In addition, we have made, and may continue to make, investments in debt or equity securities of publicly traded and privately held companies, including early-stage companies and more established companies. We are subject to risks associated with these investments. In addition, we may have limited ability to dispose of these investments due to lack of an active market for or contractual limitations on our ability to sell a particular investment, and the partial or complete loss of invested capital, and significant changes in the fair value of our investment portfolio could adversely impact our financial results. Further, valuations of non-marketable debt and equity investments are inherently complex due to the lack of readily available market data and may involve subjective judgments and estimates. Some of our past acquisitions and investments have not performed as expected, and there is no assurance that future acquisitions and investments will perform as expected or generate a positive return on investment due to factors we could not predict prior to the acquisition or due to incorrect investment assumptions.

Acquisitions, dispositions and other strategic transactions that we may pursue could have a negative effect on our results of operations.

We are actively seeking to engage in acquisitions of operations, assets and investments, or to develop new types of work or processes, and we may seek to engage in dispositions of certain operations, assets or investments from time to time. If we are unable to successfully integrate newly acquired assets or operations or if we make untimely or unfavorable investments or dispositions, it could negatively impact our financial condition, results of operations and the market value of our common stock. Additionally, any future acquisition, investment or disposition may result in significant changes in the composition of our assets and liabilities, and as a result, our financial condition, results of operations and the market value of our common stock following any such acquisition, investment or disposition may be affected by factors different from those currently affecting our financial condition, results of operations and market value of our common stock.

The difficulties of integrating a business, assets or operations may include, among other things:

- geographically separated organizations and possible differences in corporate cultures and management philosophies;
- significant demands on management resources, which may distract management's attention from day-to-day business;
- differences in the disclosure systems, compliance requirements, accounting systems, and accounting controls and procedures of the acquired company, which may interfere with our ability to make timely and accurate public disclosure; and
- the demands of managing new locations, new personnel and new lines of business acquired.

Backlog may not be realized or may not result in profits.

Customers often have no obligation under our contracts to assign or release work to us, and many contracts may be terminated on short notice. Reductions in backlog due to cancellation of one or more contracts by a customer or for other reasons, or our failure to execute projects in backlog as expected, could significantly reduce the revenue and profit we actually receive from contracts included in backlog. In the event of a project cancellation, we may be reimbursed for certain costs, but typically have no contractual right to the total revenues reflected in our backlog.

We may fail to adequately recover on contract change orders.

From time to time, we may pursue claims against our customers to recover costs incurred on a project in excess of the original contract amount. Such additional costs may be incurred in connection with project delays caused by our customers or third parties, including other trades, or changes in project scope or specifications. While we generally negotiate with the customer for additional compensation, we may be unable to obtain, through negotiation, arbitration, litigation or otherwise, adequate compensation for the additional work performed or expenses incurred. The process of pursuing a claim may be lengthy, result in significant legal fees, and negatively impact our relationships with customers. In addition, our ability to recover on contract change orders could be negatively impacted by our customers' reduced access to capital in a weak economic environment, particularly in a period of restrictive credit markets. Furthermore, we may be required to invest significant working capital to fund cost overruns while the resolution of a claim is pending, and our additional costs may not be recovered until the claim is resolved, if at all. When appropriate, we establish provisions against possible exposures, and we adjust these provisions from time to time, but our assumptions and estimates related to these exposures might prove to be inadequate or inaccurate. Unfavorable resolution of these matters can result in a reduction of revenues and profit recognized in prior periods or the recognition of a loss, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We may incur significant charges or be adversely impacted by the closure or sale of facilities or assets.

In the past, we incurred significant costs associated with the closure or disposition of facilities, and we expect from time to time to evaluate the need for future facility closures or dispositions of assets. If we were to elect to dispose of a substantial portion of any of our segments, facilities, or assets, the realized values of such assets could be substantially less than current book values, which would likely result in a material adverse impact on our financial results. In addition, we may have warranty claims, costs pursuant to obligations to indemnify buyers after assets are sold, or other unexpected liabilities from closed facilities beyond the closing date, and if we dispose of a segment or business, we may continue to be subject to certain prior liabilities of that business after its disposition and may not be able to negotiate for limitations on those liabilities, all of which could adversely impact our financial returns.

Epidemics, pandemics, and other potential public health emergencies could have a future materially adverse impact on our business, including our financial condition, cash flows and results of operations.

Pandemics and other public health emergencies, such as the COVID-19 pandemic, have had adverse impacts on our results of operations in the past. The impact of future epidemics, pandemics or other public health emergencies on our business is difficult to predict, but adverse impacts could include the potential for job site closures or work stoppages, supply chain disruptions, delays in

awarding new project bids, construction delays, reduced demand for our services, delays in our ability to collect from our customers, or illness of management or other employees.

The availability and cost of surety bonds affect our ability to enter into new contracts and our margins on those engagements.

Many of our customers require us to post performance and payment bonds issued by a surety. Those bonds guarantee the customer that we will perform under the terms of a contract and that we will pay subcontractors and vendors. We obtain surety bonds from two primary surety providers; however, there is no commitment from these providers to guarantee our ability to issue bonds for projects as they are required. Our ability to access this bonding capacity is at the sole discretion of our surety providers. Accordingly, if we were to experience an interruption or reduction in our availability of bonding capacity, or if we are unable to obtain bonds at a reasonable cost, we may be unable to compete for, or work on, certain projects.

We are subject to risks associated with seasonality, adverse weather conditions, and climate change.

Our business is subject to seasonal variations in operations and demand that affect the construction business, particularly in the Residential and Commercial & Industrial segments. Adverse weather conditions, including rain, heat, ice, cold or snow, may not only delay our work and contribute to project inefficiency, but may negatively impact our schedules and profitability by delaying the work of other trades on a construction site. Extreme weather conditions (such as hurricanes or other storms, droughts, extreme heat or cold, wildfires and floods) have from time to time had, and may in the future have, a negative impact on our business, including by limiting the availability of resources, increasing our costs, damaging property, disrupting our workforce, or causing projects to be delayed or cancelled. A portion of our business operates in certain geographic areas, such as Texas and Florida, where these risks are elevated. If the cost of property insurance in those or other geographic areas increases, or if it becomes more difficult to obtain, it could have a negative impact on customer demand, particularly in our Residential segment. To the extent climate change results in an increase in extreme weather events and adverse weather conditions, the likelihood of a negative impact on our results of operations may increase.

Our results may fluctuate from period to period due to cyclical, regional economic conditions, or other factors.

Factors arising from the cyclical nature of industries in which we operate, including the timing of new customer contracts, may result in significant fluctuations in our operating results on a quarterly or annual basis. Our results from period to period may also be affected by regional economic conditions that affect the construction market. In particular, a prolonged period of weak demand in the oil and gas industry or increased regulatory restrictions on the industry could dampen the housing market in certain regions, resulting in reduced demand for the services provided by our Residential segment. Infrastructure Solutions' revenues from industrial services may be affected by the timing of scheduled outages or capital projects at its industrial customers' facilities, by demand for design, construction and site support of data centers, and by changes in spending in public infrastructure, power and steel markets. Industrial and rail customers may also be affected by volatility in oil prices. Accordingly, our performance in any particular quarter or year may not be indicative of the results that can be expected for any other quarter, for the entire year, or for any other year.

We may experience difficulties in managing our billings and collections.

Our billings under fixed price contracts in our contracting business are generally based upon achieving certain milestones and will only be accepted by the customer once we demonstrate those milestones have been met. If we are unable to demonstrate compliance with billing requests, or if we fail to issue a project billing, our likelihood of collection could be delayed or impaired, which, if experienced across several large projects, could have a material adverse effect on our results of operations. Further, some of our customers may be highly leveraged or may be subject to their own operating and regulatory risks, which may also limit their ability to pay.

Our operations are subject to numerous physical hazards. If an accident occurs, it could result in an adverse effect on our business.

Hazards related to our industry include, but are not limited to, electrocutions, fires, injuries involving ladders, machinery-caused injuries, mechanical failures and transportation accidents. These hazards can cause personal injury and loss of life, severe damage to or destruction of property and equipment, and suspension of operations. While we have invested significant efforts in our safety programs in an effort to minimize safety risks, we have experienced serious accidents in the past and may experience additional accidents in the future. Serious accidents may subject us to penalties, civil litigation or criminal prosecution. Our insurance does not cover all types or amounts of liabilities. In addition, if our safety record were to substantially deteriorate over time, our customers could cancel our contracts or not award us future business.

Our current insurance coverage may not be adequate, and we may not be able to obtain insurance at acceptable rates, or at all.

We maintain insurance coverage in part because some of our contracts require us to carry certain levels of insurance coverage, which is common in the industries in which we operate. Our third-party insurance is subject to deductibles for which we establish reserves. In addition, we maintain most of our employee health insurance coverage on a self-insured basis and are responsible for losses up to our stop loss coverage, which sets a limit on our liability for claim costs. No assurance can be given that our insurance or our provisions for incurred claims and incurred but not reported claims will be adequate to cover all losses or liabilities we may incur in our operations, including employee health care costs, which have increased in recent years; nor can we provide assurance that we will be able to maintain adequate insurance at reasonable rates.

Litigation and claims can cause unexpected losses.

In all of our businesses, we are subject to potential claims and litigation, including contractual disputes, warranty claims, and claims related to our compliance with legal and regulatory requirements. We have in the past been, and may in the future be, named as a defendant in lawsuits, claims and other legal proceedings; such claims and litigation are common in the construction and electrical and mechanical maintenance businesses and may be related to contract delays, changes in the scope of work or alleged defects. There are also inherent claims and litigation risks associated with the number of people that work on construction sites and the fleet of vehicles on the road every day. In our Infrastructure Solutions businesses, we also may be subject to product liability litigation. We also have in the past been, and may in the future be, subject to employment-related claims including workers' compensation, employment discrimination, and wage and hour claims. Claims are sometimes made and lawsuits filed for amounts in excess of their value or in excess of the amounts for which they are eventually resolved. Claims and litigation normally follow a predictable course of time to resolution. However, there may be periods of time in which a disproportionate amount of our claims and litigation are concluded in the same quarter or year. If multiple matters are resolved during a given period, then the cumulative effect of these matters may be higher than the ordinary level in any one reporting period. In addition, due to the inherent uncertainties of litigation, we cannot accurately predict the ultimate outcome of any such actions or proceedings, which could result in significant expense, damage to our reputation and diversion of management's attention from our business.

Latent defect litigation is normal for residential home builders in some parts of the country. Any increases in our latent defect claims and litigation could place pressure on our profitability.

Regulatory requirements could result in significant compliance costs and liabilities.

We have operations throughout the United States and are subject to multiple state and local regulations. In addition, our segments from time to time perform work as federal government subcontractors, or perform work on projects that have received federal government funding, and as a result may be subject to federal laws and requirements applicable to government contractors. If we fail to comply with those requirements, we may be subject to fines, penalties or suspension from doing business with the federal government. Our 131 locations are located in 27 states, which exposes us to a variety of different state and local laws and regulations, including those pertaining to electrical contractor and other licensing requirements. These laws and regulations govern many aspects of our business, and there are often different standards and requirements in different locations. Changes in law, regulations or requirements, or a material failure to comply with any of them, could increase our costs and have other negative impacts on our business by, among other things, increasing costs, harming our reputation and, in some instances, causing us to be in violation of our contractual obligations. In addition, we are required to maintain certain electrical, construction, mechanical and business licenses. If we fail to successfully transfer, renew or obtain such licenses where applicable, we may experience increased costs and other negative impacts on our business.

Disruptions to the proper functioning of our information technology systems or security breaches of our critical data, sensitive information or information technology systems could disrupt operations and cause increases in costs, decreases in revenues and/or harm to our reputation.

Our Company continues to increase its dependence on information technology systems, networks, and infrastructure to conduct our day-to-day operations and manage the way we provide services to our customers. Disruptions to our information technology systems or our failure to adequately protect critical data, sensitive information, and information technology systems could materially affect our business or result in harm to our reputation. Our critical accounting, project management, estimating, and financial information systems, some of which are third-party platforms, all rely on the proper functioning and security of our information technology environment and are critical to the successful operation of our business. We also collect and retain information about our customers, stockholders, vendors, and employees, with the expectation by such third parties being that we will adequately protect such information. Although our information technology systems, networks and infrastructure are protected through our policies, procedures and physical and software safeguards, our information technology environment is still vulnerable to natural disasters, power losses, telecommunication failures, deliberate intrusions, inadvertent user misuse or error, computer viruses, malicious code, ransomware

attacks, acts of terrorism and other cyber security risks, which could cause a loss of critical data, or release of sensitive information. If critical information systems fail or are otherwise unavailable, or if sensitive information is released, we could experience reputational harm, loss of customers and revenue, loss of proprietary data, regulatory actions and scrutiny, statutory penalties, and litigation.

We have from time to time experienced cybersecurity incidents, such as ransomware attacks or unauthorized parties gaining access to our information technology systems, and privacy incidents, such as potential exposure of data. While to date such incidents have not had a material impact on our business, there can be no assurance that future incidents would not have an adverse effect on our business or reputation. Additionally, the process of integrating the information systems of the businesses we acquire is complex and exposes us to additional risk as we might not adequately identify weaknesses in the acquired business's information systems or information handling, privacy and security policies and protocols, which could expose us to unexpected liabilities or make our own systems and data more vulnerable to attack. In addition, data privacy laws and regulations governing the unauthorized disclosure of confidential information may pose compliance challenges and result in additional costs for our businesses. A failure to comply with such laws and regulations could result in penalties or fines, legal liabilities or reputational harm.

We may be required to conduct environmental remediation activities, which could be expensive and inhibit the growth of our business and our ability to maintain profitability, particularly in our Infrastructure Solutions business.

We are subject to a number of environmental laws and regulations, including those concerning the handling, treatment, storage, and disposal of hazardous materials. These laws predominantly affect our Infrastructure Solutions business but may impact our other businesses. These environmental laws generally impose liability on current and former owners and operators, transporters and generators of hazardous materials for remediation of contaminated properties. We could be held liable for such contamination created not only from our own activities but also from the historical activities of companies we have acquired, or the activities of others on properties that we own or lease. There can be no assurance that the discovery of currently unknown problems or conditions will not require substantial additional expenditures. In addition, if we do not comply with these laws and regulations, we could be subject to material administrative, civil or criminal penalties, or other substantial liabilities.

Compliance with current and future environmental laws and regulations, including those relating to climate change, could adversely impact our business.

Increasing concerns about climate change and other environmental issues may result in additional environmental regulations and restrictions, and we cannot predict the nature, scope or effect of legislation or regulatory requirements that could be imposed, or how existing or future laws or regulations will be administered or interpreted. Compliance with more stringent laws or regulations, as well as more vigorous enforcement policies of the regulatory agencies, could increase the costs of projects for us or our customers, potentially resulting in reduced profitability or a reduced demand for our services, or require us to incur substantial costs of compliance.

The loss of a group or several key personnel, either at the corporate or operating level, or general labor constraints could adversely affect our business.

The loss of key personnel or the inability to hire and retain qualified employees could have an adverse effect on our business, financial condition and results of operations. Our operations depend on the continued efforts of our executive officers, senior management and management personnel at our segments. As a service organization, relationships with significant customers can be dependent on certain employees within our organization, and our ability to meet our contractual obligations to our customers and support our growth strategy may be limited by our ability to retain and train necessary personnel. We cannot guarantee that any member of management at the corporate or operating segment level will continue in their capacity for any particular period of time, and there is significant competition in our industry for managerial personnel. We have a severance plan in place that covers certain of our senior leaders; however, this plan can neither guarantee that we will not lose key employees, nor prevent them from competing against us. If we lose a group of key personnel or even one key person at a segment, we may not be able to recruit suitable replacements at comparable salaries or at all, which could adversely affect our operations. Additionally, we generally do not maintain key man life insurance for members of our management.

Our business is labor intensive, and many of our operations experience a high rate of employee turnover. We also may be constrained in hiring and retaining sufficient qualified employees to support our growth strategy due to general labor shortages in our industries. In addition, a lack of skilled labor or increased turnover rates within our employee base could lead to increased costs, such as increased overtime to meet demand and increased wage rates to attract and retain employees. Continued labor constraints may limit our ability to grow and may limit our profitability due to the impact of rising wages.

Risks Relating to our Financial Results, Financing and Liquidity

The impact on our customers of negative conditions in the credit and capital markets may adversely affect our business.

A number of economic factors, including financing conditions for our customers' industries, have, in the past, adversely affected our customers and their ability or willingness to fund expenditures. Many of our customers depend on the availability of credit to help finance their capital and maintenance projects. At times, tightened availability of credit and changes in interest rates that affect the cost of construction financing and mortgages have negatively impacted the ability of existing and prospective customers to obtain sufficient financing and fund projects we might otherwise perform. As a result, our customers may defer such projects for an unknown, and perhaps lengthy, period. Any such deferrals would inhibit our growth and would adversely affect our results of operations.

In a weak economic environment, particularly in a period of restrictive credit markets, we may experience greater difficulties in collecting payments from our customers due to, among other reasons, a diminution in our ultimate customers' access to the credit markets. If clients delay in paying or fail to pay a significant amount of our outstanding receivables, it could have an adverse effect on our liquidity, results of operations, and financial position.

To fund our working capital requirements, complete acquisitions and service any debt we may incur, we may require a significant amount of cash. Our ability to generate cash from operations or to access the capital markets for required funding depends on many factors that are beyond our control.

Our ability to continue to grow our business, including through acquisitions and the funding of working capital requirements, as well as our ability to make payments on or refinance any indebtedness we may incur, will depend on our ability to access capital markets and generate cash from operations in the future. This is subject to our operational performance, as well as general economic, financial, capital market, competitive, legislative, regulatory and other factors that are beyond our control.

There can be no assurance that our business will generate sufficient cash flow from operations or asset sales, or have access to sources of cash from the capital markets or from borrowings under our credit facility, in amounts sufficient to enable us to complete acquisitions, to service any debt we may incur or to fund our other liquidity needs. We may need to refinance our credit facility on or before maturity. We cannot provide assurance that we will be able to refinance our credit facility on commercially reasonable terms or at all. Our inability to access capital on commercially reasonable terms could have a material adverse effect on our business.

Changes in tax positions or changes in tax laws may adversely affect our results.

Our effective tax rate and cash paid for taxes are impacted by the tax positions that we have adopted. Taxing authorities may not always agree with the positions we have taken. We have established reserves for tax positions that we have determined to be less than likely to be sustained by taxing authorities. However, there can be no assurance that our results of operations will not be adversely affected in the event that disagreement over our tax positions does arise. Additionally, new tax laws or changes in existing interpretation and guidance could affect our provision for income taxes, deferred tax assets and liabilities, and reserves for uncertain tax positions, potentially resulting in an increase to our effective tax rate, which could adversely affect our results.

We have restrictions and covenants under our credit agreement and the failure to meet these covenants, including liquidity and other financial requirements, could result in a default under our credit agreement.

We may not be able to remain in compliance with the covenants in our credit agreement, including financial covenants which, among other things, require minimum levels of liquidity and require us to maintain a specified fixed charge coverage ratio as defined under our credit agreement. Other covenants, among other things, limit our ability to provide liens, restrict fundamental changes, limit transactions with affiliates and subsidiaries, restrict changes to our organization documents, limit asset dispositions, limit investments, limit the ability to incur debt, restrict certain payments to shareholders, limit our ability to repurchase our stock, and limit the ability to change the nature of our business. A failure to fulfill the terms and requirements of our credit agreement may result in a default under our credit agreement and acceleration of any indebtedness we may incur, as well as a default under one or more of our material agreements, any of which could have a material adverse effect on our ability to conduct our operations and our financial condition.

The preparation of our financial statements requires management to make certain estimates and assumptions that may differ from actual results, and we may be adversely impacted by new accounting, control and operating procedures.

GAAP accounting requires that a number of estimates and assumptions are made by management that affect the amounts reported in the financial statements. These estimates and assumptions must be made because certain information that is used in the preparation of our financial statements is either dependent on future events or cannot be calculated precisely from available data and, accordingly, requires the use of management's judgment. Estimates and assumptions are used in, among other areas, our assessment of revenue

recognition of construction in progress, fair value assumptions in accounting for business combinations, stock-based compensation, reserves for legal matters, and realizability of deferred tax assets and unrecognized tax benefits. Actual results could differ from those estimates and assumptions, and such differences may be material to our financial statements.

In addition, we may be adversely impacted by new accounting pronouncements which change our revenue recognition or other accounting practices or otherwise alter how we report our financial results, or which require that we change our control and operating procedures, which we may be unable to do in a timely manner.

Our use of percentage-of-completion accounting could result in a reduction or elimination of previously reported profits.

A significant portion of our revenue is recognized using the percentage-of-completion method of accounting, utilizing the cost-to-cost method, which results in our recognizing contract revenues and earnings ratably over the contract term in proportion to contract costs incurred. The earnings or losses recognized on individual contracts are based on estimates of contract revenues, costs and profitability. We review our estimates of contract revenue, costs and profitability on an ongoing basis. Prior to contract completion, we may adjust our estimates on one or more occasions as a result of change orders to the original contract, collection disputes with the customer on amounts invoiced or claims against the customer for increased costs incurred by us due to customer-induced delays and other factors. Contract losses are recognized in full when determined to be probable and reasonably estimable. Although we have historically made reasonably reliable estimates of the progress towards completion of our construction contracts, the uncertainties inherent in the estimating process make it possible for actual costs to vary materially from estimates, including reductions or reversals of previously recorded revenues and profits.

Our reported operating results could be adversely affected as a result of goodwill impairment charges.

GAAP accounting requires that goodwill attributable to each of our reporting units be tested at least annually, or when changes in circumstance indicate the carrying value of our reporting units may not be recoverable. At September 30, 2024, we had recorded \$94.0 million of goodwill on our Consolidated Balance Sheets. Factors that could lead to impairment of current goodwill in the future include significant adverse changes in the business climate, declines in the financial condition of our business, and actual or projected future operating results affecting the Company as a whole or affecting any particular reporting unit. On an ongoing basis, we expect to perform impairment tests at least annually as of September 30. Impairment adjustments, if any, are required to be recognized as operating expenses. We cannot assure that we will not have future impairment adjustments to our recorded goodwill.

Risks Relating to Our Common Stock

Existence of a controlling shareholder.

A majority of our outstanding common stock is owned by Tontine, and Jeffrey Gendell, founder and managing member of Tontine, serves as our Chief Executive Officer and as Chairman of our Board of Directors. Tontine owns approximately 55 percent of the Company's outstanding common stock based on a Form 4 filed by Tontine with the SEC on September 16, 2024, and the Company's shares outstanding as of November 18, 2024. As a result, Tontine can control most of our affairs, including the election of our directors, who in turn appoint executive management and can control most actions requiring the approval of shareholders, including the adoption of amendments to our corporate charter and approval of any potential merger or sale of all or substantially all of the Company's assets or business segments or the Company itself. This control also gives Tontine the ability to bring matters to a shareholder vote that may not be in the best interest of our other shareholders or stakeholders. The concentration of ownership may also have the effect of discouraging a change in control transaction, which could prevent other shareholders from selling their shares in the Company at a premium as part of such transaction. Additionally, Tontine is in the business of investing in companies and may, from time to time, acquire and hold interests in businesses that compete directly or indirectly with us or act as suppliers or customers of the Company. Most of Tontine's shares are registered for resale on a resale shelf registration statement filed by the Company with the SEC. Pursuant to such resale shelf registration statement, Tontine has the ability to resell any or all of its registered shares from time to time in one or more offerings as long as the registration statement remains effective and the Company remains eligible to use it, as described further in the registration statement and in any prospectus supplement filed in connection with an offering pursuant to the shelf registration statement. Tontine's sale of all or a significant portion of its shares could result in a change of control of the Company, which may trigger the change of control provisions in a number of our material agreements, including our credit agreement, bonding agreements with our sureties, and our executive severance plan.

Our common stock has less liquidity than many other stocks listed on the Nasdaq Global Market.

Historically, the trading volume of our common stock has been relatively low when compared to other companies listed on the Nasdaq Global Market or other stock exchanges. While we have experienced increased liquidity in our stock during recent years compared with historical levels, we cannot say with certainty that a more active and liquid trading market for our common stock will continue to

develop. Because of this, it may be more difficult for shareholders to sell a substantial number of shares for the same price at which shareholders could sell a smaller number of shares.

In addition, our historically lower liquidity has in the past contributed to increased volatility in the price of our common stock. This lower liquidity, along with the other risk factors discussed herein, may impact our stock price in the future.

We may issue additional shares of common stock, preferred stock or convertible securities that will dilute the percentage ownership interest of existing stockholders and may dilute the book value per share of our common stock.

Our authorized capital includes 100,000,000 shares of common stock and 10,000,000 shares of preferred stock. As of September 30, 2024, we had 22,049,529 shares of common stock issued, 19,971,670 shares of common stock outstanding and no shares of preferred stock issued or outstanding. As of September 30, 2024, we had the ability to issue 581,169 shares of common stock, including upon the exercise of options, as future grants under our existing equity compensation plans.

Although we currently do not have any intention of issuing additional common stock (other than pursuant to our equity compensation plans) or preferred stock, we may do so in the future as consideration for certain acquisitions and in order to meet our capital needs. Subject to applicable Nasdaq Listing Rules, our Board of Directors generally has the authority, without action by or vote of the stockholders, to issue all or part of any authorized but unissued shares of common stock or preferred stock for any corporate purpose. We may seek additional equity capital in the future as we develop our business and expand our operations. Any issuance of additional shares of common stock, preferred stock, or convertible securities will dilute the percentage ownership interest of our stockholders and may dilute the book value per share of our common stock.

Substantial sales of our common stock could adversely affect our stock price.

Sales of a substantial number of shares of our common stock by holders of our common stock, including Tontine, or the perception that such sales could occur, could adversely affect the market price of our common stock by introducing a large number of shares into the market. Such sales, or the perception that such sales could occur, could cause the market price of our common stock to decline. We cannot predict whether future sales of our common stock, or the availability of our common stock for sale, will adversely affect the market price for our common stock or our ability to raise capital by offering equity securities.

Increasing scrutiny and changing expectations from investors and customers with respect to our environmental, social and governance practices may impose additional costs on us or expose us to reputational or other risks.

Investors have increased their emphasis on the environmental, social and governance (“ESG”) practices of companies across all industries, including the environmental impact of operations and human capital management. Certain stockholders use third-party benchmarks or scores to measure a company’s ESG practices when deciding whether to invest in its common stock or engage with the company to require changes to its practices. In addition, our customers may evaluate our ESG practices or require that we adopt certain ESG policies as a condition of awarding contracts.

A failure to comply with investor or customer expectations and standards, which are evolving and vary considerably, or the perception that we have not responded appropriately to the growing concern for ESG issues, could result in reputational harm to our business and could have an adverse effect on us.

In addition, organizations that provide ratings information to investors on ESG matters may assign unfavorable ratings to IES or our industries, which may lead to negative investor sentiment and the diversion of investment capital to other companies or industries, which could have a negative impact on our stock price and our costs of capital.

Our bylaws designate the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our shareholders, which could increase the costs for our shareholders to bring claims, discourage our shareholders from bringing claims, or limit our shareholders’ ability to obtain a favorable judicial forum for disputes with us or our current or former directors, officers, employees or shareholders in such capacity.

Our bylaws provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware is, to the fullest extent permitted by law, the sole and exclusive forum for claims, including derivative claims that are based upon a violation of a duty by a current or former director, officer, employee or shareholder in such capacity or as to which the Delaware General Corporation Law confers jurisdiction upon the Court of Chancery. The exclusive forum provision may increase the costs for a shareholder to bring a claim or limit a shareholder’s ability to bring a claim in a judicial forum that the shareholder finds favorable for disputes with us or our directors, officers, employees or shareholders in such capacity, which may discourage such lawsuits against us and such persons. Alternatively, if a court were to find these provisions of our bylaws inapplicable to, or unenforceable in respect of, the claims as to which they are intended to apply, then we may incur additional costs associated with

resolving such matters in other jurisdictions, which could adversely affect our business, financial position or results of operations. While the exclusive forum provision applies to state and federal law claims, our shareholders will not be deemed to have waived our compliance with, and the exclusive forum provision will not preclude or contract the scope of exclusive federal or concurrent jurisdiction for actions brought under, the federal securities laws, including the Exchange Act, or the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

General Risks

Our internal controls over financial reporting and our disclosure controls and procedures may not prevent all possible errors that could occur. Internal controls over financial reporting and disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system’s objective will be met.

On a quarterly basis, we evaluate our internal controls over financial reporting and our disclosure controls and procedures, which include a review of the objectives, design, implementation and effectiveness of the controls and the information generated for use in our periodic reports. In the course of our controls evaluation, we sought (and seek) to identify data errors, control problems and to confirm that appropriate corrective actions, including process improvements, are being undertaken. This type of evaluation is conducted on a quarterly basis so that the conclusions concerning the effectiveness of our controls can be reported in our periodic reports.

A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system’s objectives will be satisfied. Internal controls over financial reporting and disclosure controls and procedures are designed to give reasonable assurance that they are effective and achieve their objectives. We cannot provide absolute assurance that all possible future control issues have been detected. These inherent limitations include the possibility that our judgments can be faulty and that isolated breakdowns can occur because of human error or mistake. The design of our system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed absolutely in achieving our stated goals under all potential future or unforeseeable conditions. Because of the inherent limitations in a control system, misstatements due to error could occur without being detected.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Cybersecurity Risk Management and Strategy

As part of the Company’s overall risk management, the Company has adopted processes designed to assess, identify and manage material risks from cybersecurity threats. Our program has been designed and evaluated based on the National Institute of Standards and Technology Cybersecurity Framework (“NIST CSF”). This does not imply that we meet any particular technical standards, specifications, or requirements, only that we use NIST CSF as a guide to identify, assess, and manage cybersecurity risks relevant to our business. The cybersecurity risk management program includes, among other things, processes to manage risks associated with third party service providers, regular review and testing of the Company’s cybersecurity practices through audits, internal assessments and tabletop exercises, and mandatory annual cybersecurity awareness training for all employees. In addition, the Company has adopted an incident response plan establishing the processes for responding to any cybersecurity incident. The Company has engaged third party cybersecurity firms to perform maturity assessments of our cybersecurity risk management program, the results of which are reported to the Board.

We have experienced cybersecurity attacks and incidents in the past and could in the future experience similar attacks. To date, no cybersecurity incident or attack, or any risk from cybersecurity threats, has materially affected or has been determined to be reasonably likely to materially affect the Company or our business strategy, results of operations, or financial condition.

Cybersecurity Governance

Our Board oversees the Company’s general risk management processes, and with respect to cybersecurity risks the oversight is performed primarily through the Audit Committee of the Board, which is briefed at least quarterly on cybersecurity threats, the results of periodic assessment and reviews of the Company’s cybersecurity programs, and cybersecurity developments affecting companies generally. Our incident response plan provides for prompt notice to the Board of any material cybersecurity incident.

Our cybersecurity program is overseen by our head of cybersecurity, with guidance from our Chief Technical Officer and our Vice President of Information Technology. Our head of cybersecurity has more than ten years of experience managing cybersecurity

matters, holds an undergraduate degree in information systems with a focus on information security, and holds numerous certificates across the cybersecurity landscape. Our head of cybersecurity is also responsible for providing the Audit Committee with quarterly updates on cybersecurity risks and developments.

Item 2. Properties

At September 30, 2024, we maintained branch offices, warehouses, sales facilities and administrative offices at 131 locations. The majority of our facilities are leased. We lease our executive office located in Greenwich, Connecticut and our corporate office located in Houston, Texas. We believe that our properties are adequate for our current needs and that suitable additional or replacement space will be available as required. For a breakdown of our offices by segment, see Item 1. “*Business — Operating Segments*” of this Annual Report on Form 10-K.

Item 3. Legal Proceedings

For further information regarding legal proceedings, see Note 18, “*Commitments and Contingencies — Legal Matters*” in the notes to our Consolidated Financial Statements.

Item 4. Mine Safety Disclosures

None.

PART II

Item 5. Market for Registrant's Common Equity; Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock trades on the Nasdaq Global Market under the ticker symbol "IESC."

As of November 18, 2024, the closing market price of our common stock was \$264.67 per share and there were approximately 299 holders of record.

We have never declared or paid dividends on our common stock. We intend to retain any future earnings and do not expect to pay cash dividends in the foreseeable future.

Stock Repurchase Program

In 2015, our Board of Directors authorized a stock repurchase program for the purchase from time to time of up to 1.5 million shares of the Company's common stock, and in 2019, authorized the repurchase from time to time of up to an additional 1.0 million shares of the Company's common stock under the stock repurchase program. In December 2022, our Board of Directors terminated our previous stock repurchase program and authorized a new \$40 million stock repurchase program. In July 2024, the Company fully utilized the amount remaining under this \$40 million authorization. On July 31, 2024, the Board authorized a new \$200 million stock repurchase program. Share purchases are made for cash in open market transactions at prevailing market prices or in privately negotiated transactions or otherwise. The timing and amount of purchases under the program are determined based upon prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. All or part of the repurchases may be implemented under a Rule 10b5-1 trading plan, which allows repurchases under pre-set terms at times when the Company might otherwise be prevented from purchasing under insider trading laws or because of self-imposed blackout periods. The program does not require the Company to purchase any specific number of shares and may be modified, suspended or reinstated at any time at the Company's discretion and without notice. During the year ended September 30, 2024, we repurchased 289,284 shares of common stock at an average price of \$136.34 per share for a total aggregate purchase price of \$39.4 million. The Company had \$198.1 million remaining under its stock repurchase authorization at September 30, 2024.

The following table presents information with respect to purchases of common stock by the Company during the three months ended September 30, 2024:

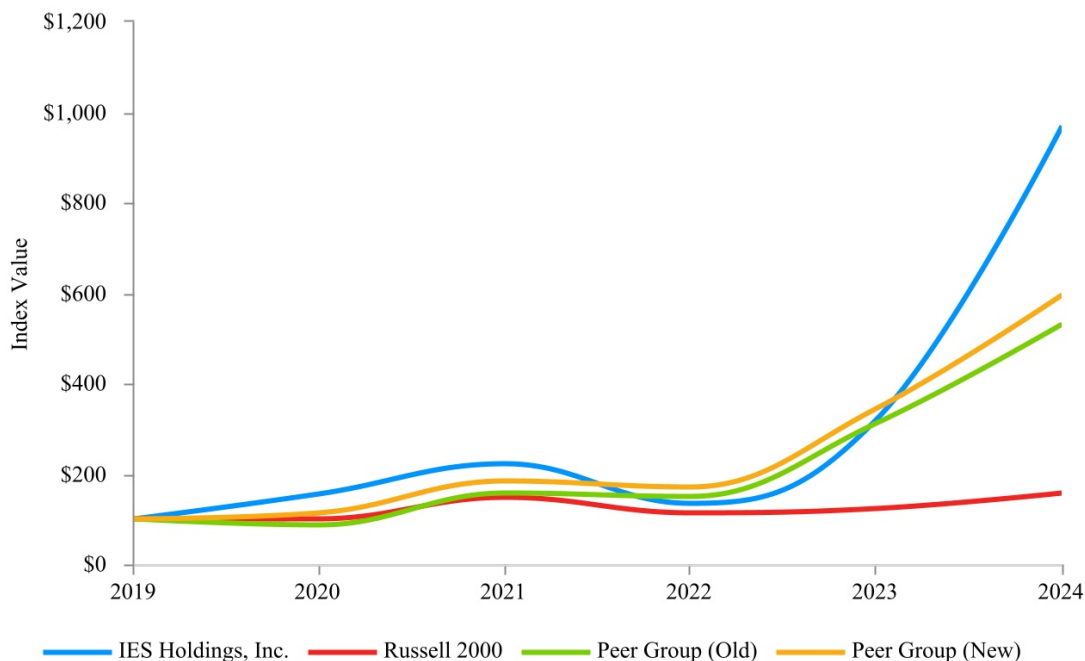
Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of a Publicly Announced Plan	Maximum Dollar Value of Shares That May Yet Be Purchased Under the Publicly Announced Plan
July 1, 2024 – July 31, 2024	124,892	\$140.75	119,041	\$ 200,000,000
August 1, 2024 – August 31, 2024	573	\$173.62	—	\$ 200,000,000
September 1, 2024 – September 30, 2024	12,738	\$145.92	12,738	\$ 198,141,288
Total	138,203	\$141.37	131,779	\$ 198,141,288

Five-Year Stock Performance Graph

The graph below compares the cumulative five year total return provided shareholders on IES Holdings, Inc.'s common stock relative to the cumulative total returns of (i) the Russell 2000 index, (ii) a customized peer group of four companies that includes Comfort Systems USA Inc., MYR Group Inc., Sterling Infrastructure, Inc. and Primoris (the "Peer Group (Old)") and (iii) a revised customized peer group of five companies that includes Comfort Systems USA Inc., MYR Group Inc., Sterling Infrastructure, Inc., Primoris and Installed Building Products, Inc. (the "Peer Group (New)"). The change from the Peer Group (Old) to the Peer Group (New) was made to better reflect companies relevant to the Company's current business. An investment of \$100 (with reinvestment of all dividends) is assumed to have been made in our common stock, in the Russell 2000 index, and in the peer group on September 30, 2019, and its relative performance is tracked through September 30, 2024.

Comparison of Five Year Cumulative Total Return*

Among IES Holdings, Inc., the Russell 2000 Index, and a Peer Group



*\$100 invested on September 30, 2019 in stock or index, including reinvestment of dividends.

	2019	2020	2021	2022	2023	2024
IES Holdings, Inc.	\$ 100.00	\$ 154.30	\$ 221.90	\$ 134.14	\$ 319.91	\$ 969.50
Russell 2000	100.00	100.39	148.26	113.42	123.54	156.60
Peer Group (Old)	100.00	87.47	156.40	149.30	311.92	530.14
Peer Group (New)	100.00	112.47	182.94	169.80	344.19	594.52

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with our Consolidated Financial Statements and the notes thereto, set forth in Item 8. "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K. For additional information, see "Disclosure Regarding Forward Looking Statements" in Part I of this Annual Report on Form 10-K.

OVERVIEW

Executive Overview

Please refer to Item 1. "Business" of this Annual Report on Form 10-K for a discussion of the Company's services and corporate strategy. IES Holdings, Inc., a Delaware corporation, 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 operations are organized into four business segments: Communications, Residential, Infrastructure Solutions and Commercial & Industrial.

Industry Trends

Our performance is affected by a number of trends that drive the demand for our services. In particular, the markets in which we operate are exposed to many regional and national trends such as the demand for single and multi-family housing, the need for mission critical facilities as a result of technology-driven advancements, capital spending on data centers, distribution centers, and high-tech manufacturing facilities, demand for back-up power, output levels and equipment utilization at heavy industrial facilities, demand for our rail and infrastructure services and custom engineered products, and changes in commercial, institutional, public infrastructure and electric utility spending. Over the long term, we believe that there are numerous factors that could positively drive demand and affect growth within the industries in which we operate, including (i) population growth, which will increase the need for commercial and residential facilities, (ii) aging public infrastructure, which must be replaced or repaired, (iii) an increasing demand for data storage, and (iv) increased emphasis on environmental and energy efficiency, which may lead to increased public and private spending. However, there can be no assurance that we will not experience a decrease in demand for our services due to economic, technological or other factors beyond our control, including interest rate increases, increases in the price of copper, aluminum, steel, fuel, electrical components, certain plastics, and other commodity prices and other economic factors, which may reduce the demand for housing in the regions where our Residential division operates, and may impact levels of construction. For further discussion of the industries in which we operate, please see Item 1. "Business - Operating Segments" of this Annual Report on Form 10-K.

Business Outlook

While there are differences among the Company's segments, on an overall basis, increased demand for the Company's services and the Company's previous investment in growth initiatives and other business-specific factors discussed below resulted in aggregate year-over-year revenue growth in fiscal 2024 as compared to fiscal 2023.

Entering fiscal 2025, we see strong demand across many of our key end markets. However, our business segments each have their own unique set of factors influencing demand for our services. Heading into fiscal 2025, we are cautious about near-term demand for single-family housing as elevated mortgage rates and the impacts of inflation on materials and labor costs have resulted in a decline in housing affordability. In addition, consumer expectations about future interest rate reductions may cause some home buyers to delay purchases in anticipation of lower mortgage costs. In the multi-family business, higher borrowing costs for project owners during fiscal 2024 have resulted in a reduction in backlog at September 30, 2024 compared with September 30, 2023. This will result in lower multi-family revenues in fiscal 2025 as compared with the prior year. However, backlog across our business segments as a whole remains at record levels, reflecting strong demand in key end markets. Demand with respect to data centers, a key end market served by our Communications, Infrastructure Solutions, and Commercial & Industrial segments, remains particularly strong. However, availability of labor and capacity could constrain the rate at which we are able to grow this business.

To continue to grow our business, including through acquisitions and the funding of working capital, we may require a significant amount of cash. Our ability to generate or otherwise access cash depends on many externally influenced factors, including demand for our services, the availability of projects at margins acceptable to us, the ultimate collectability of our receivables, our ability to borrow on our credit facility, and our ability to raise funds in the capital markets, among many other factors. We anticipate that the combination of cash on hand, cash flows from operations and available capacity under our credit facility will provide sufficient cash to enable us to meet our working capital needs, debt service requirements and capital expenditures for property and equipment through the next 12 months. We expect our capital expenditures will range from \$45 million to \$55 million for the year ending on September 30, 2025.

While the COVID-19 pandemic's impact on markets, the supply chain and the labor force had significantly less of an impact on our business in fiscal 2024 compared with prior fiscal years, COVID-19 and any future pandemic or other public health emergency could impact our workforce, customers and suppliers in the future. An inability to procure materials in a timely manner, to complete work on schedule, and to reflect higher materials or labor costs in our pricing to customers has had, and could have in the future, a significant impact on our operating results.

RESULTS OF OPERATIONS

We report our operating results across our four operating segments: Communications, Residential, Infrastructure Solutions and Commercial & Industrial. Expenses associated with our corporate office are classified separately. The following table presents selected historical results of operations of IES, as well as the results of acquired businesses from the dates acquired.

	Year Ended September 30,					
	2024		2023		2022	
	\$	%	\$	%	\$	%
	(Dollars in thousands, Percentage of revenues)					
Revenues	\$ 2,884,358	100.0 %	\$ 2,377,227	100.0 %	\$ 2,166,808	100.0 %
Cost of services	2,187,768	75.8 %	1,932,688	81.3 %	1,847,878	85.3 %
Gross profit	696,590	24.2 %	444,539	18.7 %	318,930	14.7 %
Selling, general and administrative expenses	396,684	13.8 %	298,625	12.6 %	262,714	12.1 %
Contingent consideration	714	— %	277	— %	277	— %
Gain on sale of assets	(1,684)	(0.1)%	(14,139)	(0.6)%	(69)	— %
Operating income	300,876	10.4 %	159,776	6.7 %	56,008	2.6 %
Interest and other (income) expense, net	(3,790)	(0.1)%	1,228	0.1 %	3,007	0.1 %
Income from operations before income taxes	304,666	10.6 %	158,548	6.7 %	53,001	2.4 %
Provision for income taxes	72,165	2.5 %	38,761	1.6 %	12,815	0.6 %
Net income	232,501	8.1 %	119,787	5.0 %	40,186	1.9 %
Net income attributable to noncontrolling interest	(13,385)	(0.5)%	(11,499)	(0.5)%	(5,424)	(0.3)%
Net income attributable to IES Holdings, Inc.	\$ 219,116	7.6 %	\$ 108,288	4.6 %	\$ 34,762	1.6 %

2024 Compared to 2023

Consolidated revenues for the year ended September 30, 2024, were \$507.1 million higher than for the year ended September 30, 2023, an increase of 21.3%, with increases at all of our operating segments. See further discussion below of changes in revenues for our individual segments.

Our overall gross profit percentage increased to 24.2% during the year September 30, 2024, as compared to 18.7% during the year ended September 30, 2023. Gross profit as a percentage of revenue increased at all four of our operating segments. See further discussion below of changes in gross margin for our individual segments.

Selling, general and administrative expenses include costs not directly associated with performing work for our customers. These costs consist primarily of compensation and benefits related to corporate, business segment and branch management (including incentive-based compensation), occupancy and utilities, training, professional services, information technology costs, consulting fees, travel and certain types of depreciation and amortization. We allocate certain corporate selling, general and administrative costs across our segments as we believe this more accurately reflects the costs associated with operating each segment.

During the year ended September 30, 2024, our selling, general and administrative expenses were \$396.7 million, an increase of \$98.1 million, or 32.8% over the year ended September 30, 2023, driven by increased personnel costs, primarily at our Residential operating segment, and higher incentive compensation across our business as a result of higher earnings. Selling, general and administrative expenses as a percentage of revenue increased to 13.8% for the year ended September 30, 2024 from 12.6% for the year ended September 30, 2023.

Our results for the year ended September 30, 2023 included a pretax gain of \$13.0 million from the sale of STR Mechanical, LLC (“STR”), which previously operated as part of our Commercial & Industrial segment, on October 7, 2022.

2023 Compared to 2022

Consolidated revenues for the year ended September 30, 2023, were \$210.4 million higher than for the year ended September 30, 2022, an increase of 9.7%, with increases at our Communications, Residential and Infrastructure Solutions operating segments, partially offset by a decrease at our Commercial & Industrial segment. See further discussion below of changes in revenues for our individual segments.

Our overall gross profit percentage increased to 18.7% during the year ended September 30, 2023, as compared to 14.7% during the year ended September 30, 2022. Gross profit as a percentage of revenue increased at all four of our operating segments. See further discussion below of changes in gross margin for our individual segments.

During the year ended September 30, 2023, our selling, general and administrative expenses were \$298.6 million, an increase of \$35.9 million, or 13.7% over the year ended September 30, 2022, driven by increased personnel costs, primarily at our Residential operating segment, in connection with its growth, including higher incentive compensation at the division level as a result of higher earnings. Additionally, our Residential segment recorded severance charges of \$3.6 million in connection with a reorganization of its management structure. Selling, general and administrative expenses as a percentage of revenue increased to 12.6% for the year ended September 30, 2023 from 12.1% for the year ended September 30, 2022.

Communications

2024 Compared to 2023

	Year Ended September 30,			
	2024		2023	
	\$	%	\$	%
	(Dollars in thousands, Percentage of revenues)			
Revenues	\$ 776,474	100.0 %	\$ 600,776	100.0 %
Cost of services	623,844	80.3 %	494,964	82.4 %
Gross Profit	152,630	19.7 %	105,812	17.6 %
Selling, general and administrative expenses	65,752	8.5 %	54,344	9.0 %
(Gain) loss on sale of assets	(18)	— %	12	— %
Operating Income	86,896	11.2 %	51,456	8.6 %

Revenue. Our Communications segment's revenues increased by \$175.7 million, or 29.2%, during the year ended September 30, 2024, compared to the year ended September 30, 2023. This increase primarily resulted from increased demand from our data center, high-tech manufacturing and e-commerce distribution center customers.

Gross Profit. Our Communications segment's gross profit during the year ended September 30, 2024, increased \$46.8 million, or 44.2%, as compared to the year ended September 30, 2023. Gross profit as a percentage of revenue increased from 17.6% for the year ended September 30, 2023 to 19.7% for the year ended September 30, 2024. The increase in gross profit and gross profit as a percentage of revenue primarily reflects increased volume, successful project execution, favorable contract pricing and the impact of a more disciplined bidding process.

Selling, General and Administrative Expenses. Our Communications segment's selling, general and administrative expenses increased \$11.4 million, or 21.0% during the year ended September 30, 2024, as compared to the year ended September 30, 2023. The increase is a result of higher personnel costs including higher incentive compensation as a result of higher earnings, investment in an organizational structure that will enhance the scalability of our business, and higher wages in an increasingly competitive labor market. Selling, general and administrative expenses as a percentage of revenue in the Communications segment were 8.5% during the year ended September 30, 2024, compared to 9.0% for the year ended September 30, 2023.

2023 Compared to 2022

	Year Ended September 30,			
	2023		2022	
	\$	%	\$	%
	(Dollars in thousands, Percentage of revenues)			
Revenues	\$ 600,776	100.0 %	\$ 559,777	100.0 %
Cost of services	494,964	82.4 %	490,959	87.7 %
Gross Profit	105,812	17.6 %	68,818	12.3 %
Selling, general and administrative expenses	54,344	9.0 %	46,717	8.3 %
Loss on sale of assets	12	— %	12	— %
Operating Income	51,456	8.6 %	22,089	3.9 %

Revenue. Our Communications segment's revenues increased by \$41.0 million, or 7.3%, during the year ended September 30, 2023 compared to the year ended September 30, 2022. This increase primarily resulted from increased demand from our high-tech manufacturing and data center customers.

Gross Profit. Our Communications segment's gross profit during the year ended September 30, 2023, increased \$37.0 million, or 53.8%, as compared to the year ended September 30, 2022. Gross profit as a percentage of revenue increased from 12.3% for the year ended September 30, 2022 to 17.6% for the year ended September 30, 2023. The increase in gross profit and gross profit as a percentage of revenue partially reflects the impact of \$19.9 million of project losses incurred in the year ended September 30, 2022 resulting from execution issues relating to an expansion into a new, adjacent service area. Although these projects continued to negatively impact our results throughout fiscal 2022, we have since completed all such projects, and are no longer working in this service area. Gross profit also increased as a result of an increase in revenues in the year ended September 30, 2023 compared to the year ended September 30, 2022 as discussed above.

Selling, General and Administrative Expenses. Our Communications segment's selling, general and administrative expenses increased \$7.6 million, or 16.3% during the year ended September 30, 2023, as compared to the year ended September 30, 2022. The increase is a result of higher personnel costs including higher incentive compensation as a result of higher earnings, investment in an organizational structure that will enhance the scalability of our business, and higher wages in a competitive labor market. Selling, general and administrative expenses as a percentage of revenue in the Communications segment were 9.0% during the year ended September 30, 2023, compared to 8.3% for the year ended September 30, 2022.

Residential

2024 Compared to 2023

	Year Ended September 30,			
	2024		2023	
	\$	%	\$	%
	(Dollars in thousands, Percentage of revenues)			
Revenues	\$ 1,388,840	100.0 %	\$ 1,279,504	100.0 %
Cost of services	1,024,440	73.8 %	1,026,524	80.2 %
Gross Profit	364,400	26.2 %	252,980	19.8 %
Selling, general and administrative expenses	228,371	16.4 %	169,737	13.3 %
Contingent consideration	36	— %	277	— %
(Gain) loss on sale of assets	(1,354)	(0.1)%	69	— %
Operating Income	137,347	9.9 %	82,897	6.5 %

Revenue. Our Residential segment's revenues increased by \$109.3 million, or 8.5%, during the year ended September 30, 2024, as compared to the year ended September 30, 2023. The increase was primarily driven by an \$81.0 million increase in revenues from our plumbing and HVAC business as we expanded our offerings during the year ended September 30, 2024. Our single-family electrical business continued to have strong demand as revenues increased by \$14.9 million, while multi-family and other revenue increased by \$13.4 million resulting from continued strong demand and successful execution of existing backlog, partially offset by a reduction in activity in certain areas as we became more selective in our bidding process.

Gross Profit. During the year ended September 30, 2024, our Residential segment gross profit increased by \$111.4 million, or 44.0%, as compared to the year ended September 30, 2023, and gross margin as a percentage of revenue increased to 26.2% during the year ended September 30, 2024 from 19.8% for the year ended September 30, 2023. The increase in profitability was driven primarily by improved project execution in our multi-family business, as well as the benefit of improved procurement and other processes implemented as part of the reorganization of the segment in fiscal 2023.

Selling, General and Administrative Expenses. Our Residential segment's selling, general and administrative expenses increased by \$58.6 million, or 34.5%, during the year ended September 30, 2024, compared to the year ended September 30, 2023. Selling, general and administrative expenses as a percentage of revenue in the Residential segment increased to 16.4% during the year ended September 30, 2024, from 13.3% during the year ended September 30, 2023. The increase was driven primarily by higher personnel costs in connection with a reorganization of the segment's management structure in fiscal 2023 and increased incentive profit sharing for division management resulting from higher earnings.

2023 Compared to 2022

	Year Ended September 30,			
	2023		2022	
	\$	%	\$	%
	(Dollars in thousands, Percentage of revenues)			
Revenues	\$ 1,279,504	100.0 %	\$ 1,131,414	100.0 %
Cost of services	1,026,524	80.2 %	928,161	82.0 %
Gross Profit	252,980	19.8 %	203,253	18.0 %
Selling, general and administrative expenses	169,737	13.3 %	144,100	12.7 %
Contingent consideration	277	— %	277	— %
Loss on sale of assets	69	— %	20	— %
Operating Income	82,897	6.5 %	58,856	5.2 %

Revenue. Our Residential segment's revenues increased by \$148.1 million, or 13.1%, during the year ended September 30, 2023, as compared to the year ended September 30, 2022. The increase was driven by the impact of price increases in connection with higher materials costs and continued strong demand, particularly in the Florida single-family electrical, plumbing and HVAC market. Revenue in our single-family electrical business increased by \$56.8 million for the year ended September 30, 2023, compared to the year ended September 30, 2022, and revenue in our single-family plumbing & HVAC business increased by \$79.0 million, while multifamily and other revenue increased by \$12.3 million.

Gross Profit. During the year ended September 30, 2023, our Residential segment gross profit increased by \$49.7 million, or 24.5%, as compared to the year ended September 30, 2022. The increase in gross profit was driven primarily by increased activity, as well as the impact of price increases and an easing of supply chain challenges that impacted prior year efficiency. Gross margin as a percentage of revenue increased to 19.8% during the year ended September 30, 2023 from 18.0% for the year ended September 30, 2022, as prior year gross margins were negatively impacted by higher labor and material costs, but improved incrementally throughout fiscal year 2022 as pricing actions were implemented.

Selling, General and Administrative Expenses. Our Residential segment's selling, general and administrative expenses increased by \$25.6 million, or 17.8%, during the year ended September 30, 2023, compared to the year ended September 30, 2022. The increase was driven primarily by higher personnel costs in connection with business growth, including incentive profit sharing for division management. Selling, general and administrative expenses for the year ended September 30, 2023 also included the \$3.6 million of severance charges discussed above, as we reorganized the segment's management structure. We also incurred other discrete expenses in the year ended September 30, 2023 in connection with implementing this reorganization as we began combining multiple administrative facilities into a single location and consolidating several underperforming branches. Selling, general and administrative expenses as a percentage of revenues in the Residential segment increased to 13.3% during the year ended September 30, 2023, from 12.7% during the year ended September 30, 2022.

Infrastructure Solutions

2024 Compared to 2023

	Year Ended September 30,			
	2024		2023	
	\$	%	\$	%
	(Dollars in thousands, Percentage of revenues)			
Revenues	\$ 351,096	100.0 %	\$ 217,353	100.0 %
Cost of services	245,743	70.0 %	162,905	74.9 %
Gross Profit	105,353	30.0 %	54,448	25.1 %
Selling, general and administrative expenses	37,394	10.7 %	26,260	12.1 %
Contingent consideration	678	0.2 %	—	— %
Gain on sale of assets	(184)	(0.1)%	(1,029)	(0.5)%
Operating Income	67,465	19.2 %	29,217	13.4 %

Revenue. Revenues in our Infrastructure Solutions segment increased by \$133.7 million, or 61.5% during the year ended September 30, 2024 compared to the year ended September 30, 2023. The increase in revenues was driven primarily by continued strong demand in our custom engineered solutions manufacturing businesses. We also acquired Greiner Industries, Inc. (“Greiner”) on April 1, 2024, which contributed \$34.0 million in revenue in the year ended September 30, 2024.

Gross Profit. Our Infrastructure Solutions segment’s gross profit for the year ended September 30, 2024 increased by \$50.9 million, or 93.5%, as compared to the year ended September 30, 2023, primarily resulting from higher volumes, improved pricing and operating efficiencies at our custom engineered solutions manufacturing facilities as well as the impact of investments to increase capacity we have made over the last several years. Gross profit as a percent of revenue increased to 30.0% for the year ended September 30, 2024 compared to 25.1% for the year ended September 30, 2023.

Selling, General and Administrative Expenses. Our Infrastructure Solutions segment’s selling, general and administrative expenses during the year ended September 30, 2024, increased \$11.1 million, or 42.4%, compared to the year ended September 30, 2023, primarily as a result of increased employee compensation cost to support growth in the business, in part due to the acquisition of Greiner in April 2024, and increased incentive profit sharing resulting from higher earnings. Selling, general and administrative expenses as a percentage of revenue decreased from 12.1% for the year ended September 30, 2023, to 10.7% for the year ended September 30, 2024 as we benefited from the scale of our operations.

Gain on Sale of Assets. Our results for the year ended September 30, 2023 included a \$1.0 million gain from the sale of a portion of the property on which one of our operating facilities is located. The sale of this excess land will have no impact on the operations of the facility.

2023 Compared to 2022

	Year Ended September 30,			
	2023		2022	
	\$	%	\$	%
	(Dollars in thousands, Percentage of revenues)			
Revenues	\$ 217,353	100.0 %	\$ 167,113	100.0 %
Cost of services	162,905	74.9 %	138,444	82.8 %
Gross Profit	54,448	25.1 %	28,669	17.2 %
Selling, general and administrative expenses	26,260	12.1 %	25,129	15.0 %
Gain on sale of assets	(1,029)	(0.5)%	(46)	— %
Operating Income	29,217	13.4 %	3,586	2.1 %

Revenue. Revenues in our Infrastructure Solutions segment increased by \$50.2 million, or 30.1% during the year ended September 30, 2023 compared to the year ended September 30, 2022. The increase in revenue was driven primarily by increased demand at our generator enclosure business.

Gross Profit. Our Infrastructure Solutions segment’s gross profit for the year ended September 30, 2023, increased by \$25.8 million,

or 89.9%, as compared to the year ended September 30, 2022. Gross profit for the year ended September 30, 2022 was negatively impacted by supply chain disruptions, COVID-19 related labor inefficiencies, and operating inefficiencies in connection with the relocation of our Tulsa, Oklahoma operation to a new, larger facility in order to accommodate increased demand for our generator enclosure products. Additionally, gross profit for the year ended September 30, 2023 was positively impacted by an increase in revenues from our generator enclosure business as discussed above, as well as improved operating margins in our custom engineered solutions business. Gross profit as a percent of revenue increased to 25.1% for the year ended September 30, 2023 compared to 17.2% for the year ended September 30, 2022.

Selling, General and Administrative Expenses. Our Infrastructure Solutions segment's selling, general and administrative expenses during the year ended September 30, 2023, increased \$1.1 million, or 4.5%, compared to the year ended September 30, 2022. Selling, general and administrative expenses as a percentage of revenue decreased from 15.0% for the year ended September 30, 2022, to 12.1% for the year ended September 30, 2023 as we benefited from the scale of our operations.

Gain on Sale of Assets. Our results for the year ended September 30, 2023 included a \$1.0 million gain from the sale of a portion of the property on which one of our operating facilities is located. The sale of this excess land will have no impact on the operations of the facility.

Commercial & Industrial

2024 Compared to 2023

	Year Ended September 30,			
	2024		2023	
	\$	%	\$	%
	(Dollars in thousands, Percentage of revenues)			
Revenues	\$ 367,948	100.0 %	\$ 279,594	100.0 %
Cost of services	293,741	79.8 %	248,295	88.8 %
Gross Profit	74,207	20.2 %	31,299	11.2 %
Selling, general and administrative expenses	32,925	8.9 %	25,225	9.0 %
Gain on sale of assets	(114)	— %	(13,198)	(4.7)%
Operating Income (Loss)	41,396	11.3 %	19,272	6.9 %

Revenue. Revenues in our Commercial & Industrial segment increased \$88.4 million, or 31.6%, during the year ended September 30, 2024, compared to the year ended September 30, 2023. The increase primarily relates to a large data center project.

Gross Profit. Our Commercial & Industrial segment's gross profit during the year ended September 30, 2024 increased by \$42.9 million, or 137.1%, as compared to the year ended September 30, 2023, and gross profit as a percentage of revenue increased from 11.2% for the year ended September 30, 2023 to 20.2% for the year ended September 30, 2024. Segment results in the year ended September 30, 2024 benefited from favorable project execution and additions to the original scope of work at favorable margins on the large data center project, improved project execution across the business, improving bid margins in certain markets, and a more selective bidding strategy implemented in the prior year.

Selling, General and Administrative Expenses. Our Commercial & Industrial segment's selling, general and administrative expenses during the year ended September 30, 2024 increased \$7.7 million, or 30.5%, compared to the year ended September 30, 2023. The increase was driven primarily by increased employee compensation cost, including higher incentive compensation as a result of higher earnings. Selling, general and administrative expenses as a percentage of revenue was 9.0% and 8.9% in the years ended September 30, 2023 and 2024, respectively.

Gain on Sale of Assets. As discussed above, our results for the year ended September 30, 2023 include a pretax gain on sale of \$13.0 million from the sale of STR in October 2022.

	Year Ended September 30,			
	2023		2022	
	\$	%	\$	%
	(Dollars in thousands, Percentage of revenues)			
Revenues	\$ 279,594	100.0 %	\$ 308,504	100.0 %
Cost of services	248,295	88.8 %	290,314	94.1 %
Gross Profit	31,299	11.2 %	18,190	5.9 %
Selling, general and administrative expenses	25,225	9.0 %	30,557	9.9 %
Gain on sale of assets	(13,198)	(4.7)%	(55)	— %
Operating Income (Loss)	19,272	6.9 %	(12,312)	(4.0)%

Revenue. Revenues in our Commercial & Industrial segment decreased \$28.9 million, or 9.4%, during the year ended September 30, 2023, compared to the year ended September 30, 2022. The decrease is primarily due to the sale of our STR business in October 2022, which contributed revenue of \$18.3 million for the year ended September 30, 2022. The decrease in revenues was also the result of a planned reduction in activity at an underperforming branch where we incurred substantial losses in fiscal 2022.

Gross Profit. Our Commercial & Industrial segment's gross profit during the year ended September 30, 2023 increased by \$13.1 million, or 72.1%, as compared to the year ended September 30, 2022. Gross profit for the year ended September 30, 2022 included project losses of \$16.7 million due to execution issues on two projects at one underperforming branch. The benefit of improved project execution in 2023 was partially offset by the sale of STR in October 2022, which contributed gross profit of \$4.9 million for the year ended September 30, 2022. Gross profit as a percentage of revenue increased from 5.9% for the year ended September 30, 2022, to 11.2% for the year ended September 30, 2023.

Selling, General and Administrative Expenses. Our Commercial & Industrial segment's selling, general and administrative expenses during the year ended September 30, 2023 decreased \$5.3 million, or 17.4%, compared to the year ended September 30, 2022. The decrease was driven primarily by the sale of STR in October 2022, which recorded branch-level selling, general and administrative expense of \$4.2 million for the year ended September 30, 2022. Additionally, selling, general and administrative expenses for the year ended September 30, 2022 included \$2.3 million of reserves in connection with legal matters related to certain contractual disputes. Selling, general and administrative expenses as a percentage of revenue decreased from 9.9% for the year ended September 30, 2022 to 9.0% for the year ended September 30, 2023.

Gain on Sale of Assets. As discussed above, our results for the year ended September 30, 2023 include a pretax gain on sale of \$13.0 million from the sale of STR in October 2022.

INTEREST AND OTHER EXPENSE, NET

	Year Ended September 30,		
	2024	2023	2022
	(In thousands)		
Interest expense	\$ 1,051	\$ 2,754	\$ 2,771
Deferred financing charges	287	268	199
Total interest expense	1,338	3,022	2,970
Interest income	(4,042)	(564)	(10)
Other (income) expense, net	(1,086)	(1,230)	47
Total other (income) expense, net	(5,128)	(1,794)	37
Total interest and other (income) expense, net	(3,790)	1,228	3,007

During the year ended September 30, 2024, we incurred interest expense of \$1.3 million primarily comprised of interest expense on our finance lease agreements and fees on an average letter of credit balance of \$5.5 million under our revolving credit facility and an average unused line of credit balance of \$144.5 million. The reduction in interest expense in the year ended September 30, 2024 compared to the year ended September 30, 2023 was a result of a decrease in average outstanding borrowings under our revolving credit facility, which had no outstanding balance during the year ended September 30, 2024. Total other income, net of \$5.1 million in the year ended September 30, 2024 was primarily the result of interest income of \$4.0 million and unrealized gains on investments in trading securities of \$1.8 million.

During the year ended September 30, 2023, we incurred interest expense of \$3.0 million primarily comprised of interest expense on an average outstanding balance of \$26.9 million under our revolving credit facility and on our finance lease agreements, in addition to fees on an average letter of credit balance of \$4.7 million under our revolving credit facility and an average unused line of credit balance of \$117.8 million. Interest expense in the year ended September 30, 2023 remained relatively consistent compared to the year ended September 30, 2022 as a decrease in interest expense incurred on our revolving credit facility resulting from a lower average outstanding balance was offset by an increase in interest expense related to a higher volume of active finance leases. Total other income, net of \$1.8 million in the year ended September 30, 2023 was primarily the result of gains on investments in equity securities of \$1.0 million.

During the year ended September 30, 2022, we incurred interest expense of \$3.0 million primarily comprised of interest expense on an average outstanding balance of \$82.3 million under our revolving credit facility, in addition to fees on an average letter of credit balance of \$4.5 million under our revolving credit facility and an average unused line of credit balance of \$49.2 million.

PROVISION FOR INCOME TAXES

For the year ended September 30, 2024, we recorded income tax expense of \$72.2 million, which reflects a higher pretax income than in the year ended September 30, 2023, partially offset by \$5.5 million of non-cash tax benefits from the recognition of previously unrecognized tax benefits in fiscal 2024.

For the year ended September 30, 2023, we recorded income tax expense of \$38.8 million, which reflects a higher pretax income than in the year ended September 30, 2022.

For the year ended September 30, 2022, we recorded income tax expense of \$12.8 million, which reflects a \$0.8 million benefit related to the recognition of previously unrecognized tax benefits.

WORKING CAPITAL

During the year ended September 30, 2024, working capital exclusive of cash increased by \$53.4 million from September 30, 2023, reflecting a \$175.4 million increase in current assets excluding cash partially offset by a \$122.0 million increase in current liabilities during the period.

During the year ended September 30, 2024, our current assets exclusive of cash increased to \$770.9 million, as compared to \$595.5 million as of September 30, 2023. An increase in activity and the timing of billings at our Communications and Infrastructure Solutions businesses, along with trade receivables acquired as part of the Greiner acquisition, drove a \$106.0 million increase in trade accounts receivable and a \$12.9 million increase in retainage. While the rate of collections may vary, our typically secured position, resulting from our ability in general to secure liens against our customers' overdue receivables, offers some protection that collection will occur eventually to the extent that our security retains value. Additionally, marketable securities increased by \$35.0 million as a portion of our excess cash during the year ended September 30, 2024 was invested in trading securities, and costs and estimated earnings in excess of contract billings increased by \$11.5 million primarily from contract assets acquired as part of the Greiner acquisition.

During the year ended September 30, 2024, our total current liabilities increased by \$122.0 million to \$522.6 million, compared to \$400.6 million as of September 30, 2023, driven by a \$55.2 million increase in contract billings in excess of costs and estimated earnings, which varies based on the timing of contract billings on projects on which revenue is recognized using the percentage of completion method, and a \$66.8 million increase in accounts payable and accrued expenses primarily as a result of increased activity and the timing of payments across all of our operating segments, and an increase in income tax payable based on the timing of tax payments.

Surety

Many customers, particularly in connection with new construction, require us to post performance and payment bonds issued by a surety. These bonds provide a guarantee to the customer that we will perform under the terms of our contract and that we will pay our subcontractors and vendors. If we fail to perform under the terms of our contract or to pay subcontractors and vendors, the customer may demand that the surety make payments or provide services under the bond. We must reimburse the sureties for any expenses or outlays they incur on our behalf. To date, we have not been required to make any reimbursements to our sureties for bond-related costs.

As is common in the surety industry, sureties issue bonds on a project-by-project basis and can decline to issue bonds at any time. We believe that our relationships with our sureties will allow us to provide surety bonds as they are required. However, current market conditions, as well as changes in our sureties' assessment of our operating and financial risk, could cause our sureties to decline to

issue bonds for our work. If our sureties decline to issue bonds for our work, our alternatives will include posting other forms of collateral for project performance, such as letters of credit or cash, seeking bonding capacity from other sureties, or engaging in more projects that do not require surety bonds. In addition, if we are awarded a project for which a surety bond is required but we are unable to obtain a surety bond, the result could be a claim for damages by the customer for the costs of replacing us with another contractor.

We believe the bonding capacity currently provided by our sureties is adequate for our current operations and will be adequate for our operations for the foreseeable future. As of September 30, 2024, the estimated cost to complete our bonded projects was approximately \$133.9 million.

LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2024, we had cash and cash equivalents of \$100.8 million and \$143.4 million of availability under our revolving credit facility. We anticipate that the combination of cash on hand, cash flows from operations and available capacity under our revolving credit facility will provide sufficient cash to enable us to meet our working capital needs, debt service requirements and capital expenditures for property and equipment through the next twelve months. Our ability to generate cash flow is dependent on many factors, including demand for our services, the availability of projects at margins acceptable to us, the ultimate collectability of our receivables, and our ability to borrow on our revolving credit facility or raise funds in the capital markets, if needed.

The Revolving Credit Facility

On April 28, 2022, we entered into a Third Amended and Restated Credit and Security Agreement (the "Amended Credit Agreement"), which increased our maximum borrowing amount from \$125 million to \$150 million. The Amended Credit Agreement also removed the aggregate cap on our investments in certain securities and the cap on our ability to make stock repurchases, in each case subject to the satisfaction of certain liquidity requirements. All other customary affirmative, negative and financial covenants and events of default were unchanged by the amendment.

Borrowings under the Amended Credit Agreement may not exceed a "Borrowing Base," as defined in the Amended Credit Agreement, determined monthly based on available collateral, primarily certain accounts receivables, inventories, and equipment. Amounts outstanding bear interest at a per annum rate equal to the Daily Three Month Secured Overnight Financing Rate ("SOFR"), plus an interest rate margin, which is determined quarterly, based on the following thresholds:

Level	Thresholds	Interest Rate Margin
I	If Liquidity is less than 35% of the Maximum Revolver Amount (each as defined in the Amended Credit Agreement) at any time during the period	2.00 percentage points
II	If Liquidity is greater than or equal to 35% of the Maximum Revolver Amount at all times during the period and less than 50% of the Maximum Revolver Amount at any time during the period	1.75 percentage points
III	If Liquidity is greater than or equal to 50% of the Maximum Revolver Amount at all times during the period	1.50 percentage points

In addition, we are charged monthly in arrears for (1) an unused commitment fee of 0.25% per annum, (2) a collateral monitoring fee of \$5 thousand per quarter, (3) a letter of credit fee based on the then-applicable interest rate margin (4) appraisal fees, costs and expenses and (5) certain other fees and charges as specified in the Amended Credit Agreement.

As of September 30, 2024, we were in compliance with the financial covenants under the Amended Credit Agreement, requiring that we maintain:

- a Fixed Charge Coverage Ratio (as defined in the Amended Credit Agreement), measured quarterly on a trailing four-quarter basis at the end of each quarter, of at least 1.1 to 1.0; and
- minimum Liquidity of at least 10% of the Maximum Revolver Amount, or \$15.0 million; with, for purposes of this covenant, at least 50% of our Liquidity comprised of Excess Availability (as defined in the Amended Credit Agreement).

At September 30, 2024, our Liquidity was \$244.2 million, our Excess Availability was \$143.4 million (or greater than 50% of minimum Liquidity), and our Fixed Charge Coverage Ratio was 3.4:1.0.

Our Fixed Charge Coverage Ratio is calculated as follows (with capitalized terms as defined in the Amended Credit Agreement): (i) our trailing twelve month EBITDA, less Non-Financed Capital Expenditures (other than capital expenditures financed by means of an advance under the credit facility), cash taxes and all Restricted Junior Payments consisting of certain Pass-Through Tax Liabilities, divided by (ii) the sum of our cash interest (other than interest paid-in-kind, amortization of financing fees, and other non-cash interest

expense) and principal debt payments (other than repayment of principal on advances under the credit facility and including cash payments with respect to capital leases), any management, consulting, monitoring, and advisory fees paid to an affiliate, and all Restricted Junior Payments (other than Pass-Through Tax Liabilities) and other cash distributions; provided, that if we make an acquisition consented to by our lenders, the components of the Fixed Charge Coverage Ratio will be calculated for such fiscal period after giving *pro forma* effect to the acquisition assuming that such transaction has occurred on the first day of such period (including *pro forma* adjustments arising out of events which are directly attributable to such acquisition, are factually supportable, and are expected to have a continuing impact, in each case to be reasonably agreed to by our lenders).

As defined in the Amended Credit Agreement, EBITDA is calculated as consolidated net income (or loss), less extraordinary gains, interest income, non-operating income and income tax benefits and decreases in any change in LIFO reserves, plus stock compensation expense, non-cash extraordinary losses (including, but not limited to, a non-cash impairment charge or write-down), Interest Expense, income taxes, depreciation and amortization, and increases in any change in LIFO reserves for such period, determined on a consolidated basis in accordance with GAAP.

If in the future our Liquidity falls below \$15.0 million (or Excess Availability falls below 50% of our minimum Liquidity), our Fixed Charge Coverage Ratio is less than 1.1:1.0, or if we otherwise fail to perform or otherwise comply with certain of our covenants or other agreements under the Amended Credit Agreement, it would result in an event of default under the Amended Credit Agreement, which could result in some or all of our then-outstanding indebtedness becoming immediately due and payable.

At September 30, 2024, we had \$4.8 million in outstanding letters of credit and no outstanding borrowings under our revolving credit facility.

Investments

From time to time, the Company invests in non-controlling positions in the debt or equity securities of other businesses. Our Board of Directors has approved an investment policy that, after taking into consideration the liquidity required to support and invest in the Company's operations, permits the Company to invest in marketable securities, including equities and fixed income securities that can be easily bought and sold on a public market, and non-marketable securities, including equity and fixed income investments in private companies as well as private investments in public companies, subject to size limits and required approvals for certain investments.

Operating Activities

Our cash flow from operations is not only influenced by cyclicalities, demand for our services, operating margins and the type of services we provide, but can also be influenced by working capital needs such as the timing of our receivable collections. Working capital needs are generally lower during our fiscal first and second quarters due to the seasonality that we experience in many regions of the country; however, a seasonal decline in working capital may be offset by needs associated with higher growth or acquisitions.

Operating activities provided net cash of \$234.4 million during the year ended September 30, 2024, as compared to \$153.9 million of net cash provided in the year ended September 30, 2023. The increase in operating cash flow resulted primarily from increased earnings partially offset by an increase in cash used in working capital during the year ended September 30, 2024 compared to the year ended September 30, 2023

Operating activities provided net cash of \$153.9 million during the year ended September 30, 2023, as compared to \$16.3 million of net cash provided in the year ended September 30, 2022. The increase in operating cash flow resulted primarily from increased earnings and a reduction in cash used in working capital during the year ended September 30, 2023 compared to the year ended September 30, 2022

Investing Activities

Net cash used in investing activities was \$108.8 million for the year ended September 30, 2024, compared to \$2.8 million of net cash provided by investing activities in the year ended September 30, 2023. During the year ended September 30, 2024, we completed the acquisition of Greiner for \$67.0 million. We also had capital expenditures of \$45.2 million as we acquired new facilities to increase the manufacturing capacity of our Infrastructure Solutions segment's operations, purchased new assets instead of entering into new lease agreements at our Residential and Communications segments, and made other capital expenditures to support the growth of our business. During the year ended September 30, 2023, the sale of assets, including the sale of STR, provided cash of \$20.6 million, which was partially offset by capital expenditures of \$17.7 million.

Net cash provided by investing activities was \$2.8 million for the year ended September 30, 2023, compared to \$29.5 million of net cash used in investing activities in the year ended September 30, 2022. During the year ended September 30, 2023, the sale of assets,

including the sale of STR, provided cash of \$20.6 million, which was partially offset by \$17.7 million used for capital expenditures. Investing activities for the year ended September 30, 2022 include \$29.3 million of capital expenditures primarily related to the acquisition of a new operating facility for our Wedlake business, as well as an additional facility to support the growth of our Residential business in Florida.

Financing Activities

Net cash used in financing activities was \$100.5 million in the year ended September 30, 2024. Net cash used in financing activities for the year ended September 30, 2024 included \$44.0 million used for the repurchase of our common stock, including repurchases to satisfy statutory withholding requirements upon the vesting of employee stock compensation, \$32.0 million paid to acquire the 20 percent noncontrolling interest in Bayonet Plumbing, Heating & Air-Conditioning, LLC, and distributions to noncontrolling interests of \$16.2 million under operating agreements in connection with certain acquisitions.

Net cash used in financing activities was \$105.8 million in the year ended September 30, 2023. Net cash used in financing activities for the year ended September 30, 2023 included net repayments on our credit facility of \$82.7 million, distributions to noncontrolling interests of \$11.5 million under operating agreements in connection with certain acquisitions, and \$8.3 million used for the repurchase of our common stock, including repurchases to satisfy statutory withholding requirements upon the vesting of employee stock compensation.

Net cash provided by financing activities was \$15.0 million in the year ended September 30, 2022. Net cash provided by financing activities for the year ended September 30, 2022 included net borrowing on our credit facility of \$42.3 million, partly offset by \$18.6 million used for the repurchase of our common stock, including repurchases to satisfy statutory withholding requirements upon the vesting of employee stock compensation. Additionally, we distributed \$7.0 million to noncontrolling interests under operating agreements in connection with certain acquisitions.

CONTROLLING SHAREHOLDER

Tontine Associates, L.L.C. ("Tontine Associates"), together with its affiliates (collectively, "Tontine") is the Company's controlling stockholder, owning approximately 55 percent of the Company's outstanding common stock based on a Form 4 filed by Tontine with the SEC on September 16, 2024 and the Company's shares outstanding as of November 18, 2024. Accordingly, Tontine has the ability to exercise significant control over our affairs, including the election of directors and most actions requiring the approval of shareholders.

The Company is a party to a sublease agreement with Tontine Associates, for corporate office space in Greenwich, Connecticut. In December 2022, the Company entered into an amendment of the sublease agreement, which was set to terminate on February 28, 2023, to extend the term of the agreement through August 31, 2024 and to increase the monthly payments from approximately \$8 to approximately \$9 effective March 1, 2023. On August 1, 2024, the Company entered into an amendment of the sublease agreement to extend the term of the agreement through September 30, 2025, effective September 1, 2024. Payments by the Company are at a rate consistent with that paid by Tontine Associates to its landlord.

On December 6, 2018, the Company entered into a Board Observer Letter Agreement (the "Observer Agreement") with Tontine Associates in order to assist Tontine in managing its investment in the Company. Subject to the terms and conditions set forth in the Observer Agreement, the Company granted Tontine the right, at any time that Tontine holds at least 20% of the outstanding common stock of the Company, to appoint a representative to serve as an observer to the Board (the "Board Observer"). The Board Observer, who shall serve at the discretion of and must be reasonably acceptable to those members of the Board who are not affiliates of Tontine, shall have no voting rights or other decision making authority. Subject to the terms and conditions set forth in the Observer Agreement, so long as Tontine has the right to appoint a Board Observer, the Board Observer will have the right to attend and participate in meetings of the Board and the committees thereof, subject to confidentiality requirements, and to receive reimbursement for reasonable out-of-pocket expenses incurred in his or her capacity as a Board Observer and such rights to coverage under the Company's directors' and officers' liability insurance policy as are available to directors.

Jeffrey L. Gendell was appointed Chief Executive Officer of the Company effective October 1, 2020, having served as the Company's Interim Chief Executive Officer since July 31, 2020. Mr. Gendell also serves as Chairman of the Board of Directors, a position he has held since November 2016. He is the managing member and founder of Tontine, and the brother of David B. Gendell, who has served as a member of our Board of Directors since February 2012, and who previously served as Interim Director of Operations from November 2017 to January 2019, as Vice Chairman of the Board from November 2016 to November 2017 and as Chairman of the Board from January 2015 to November 2016. David B. Gendell was an employee of Tontine from 2004 until January 2018.

OFF-BALANCE SHEET ARRANGEMENTS AND CONTRACTUAL OBLIGATIONS

As is common in our industry, we have entered into certain off-balance sheet arrangements that expose us to increased risk. Our significant off-balance sheet transactions include letter of credit obligations, firm commitments for materials and surety guarantees.

Some of our customers and vendors may require us to post letters of credit as a means of guaranteeing performance under our contracts and ensuring payment by us to subcontractors and vendors. If our customer has reasonable cause to effect payment under a letter of credit, we would be required to reimburse our creditor for the letter of credit.

Some of the underwriters of our casualty insurance program require us to post letters of credit as collateral, as is common in the insurance industry. To date, we have not had a situation where an underwriter has had reasonable cause to effect payment under a letter of credit. At September 30, 2024, \$4.8 million of our outstanding letters of credit were to collateralize our insurance programs.

From time to time, we may enter into firm purchase commitments for materials such as copper wire and aluminum wire, which we expect to use in the ordinary course of business. These commitments are typically for terms of less than one year and require us to buy minimum quantities of materials at specified intervals at a fixed price over the term. As of September 30, 2024, we did not have any such firm commitments to purchase materials outstanding.

Many of our customers require us to post performance and payment bonds issued by a surety. Those bonds guarantee the customer that we will perform under the terms of a contract and that we will pay subcontractors and vendors. In the event that we fail to perform under a contract or pay subcontractors and vendors, the customer may demand the surety to pay or perform under our bond. Our relationship with our sureties is such that we will indemnify the sureties for any expenses they incur in connection with any of the bonds they issue on our behalf and may be required to post collateral to support the bonds. To date, we have not incurred any material costs to indemnify our sureties for expenses they incurred on our behalf.

CRITICAL ACCOUNTING POLICIES

The discussion and analysis of our financial condition and results of operations are based on our Consolidated Financial Statements, which have been prepared in accordance with GAAP. The preparation of our Consolidated Financial Statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities known to exist as of the date the Consolidated Financial Statements, and the reported amounts of revenues and expenses recognized during the periods presented. We review all significant estimates affecting our Consolidated Financial Statements on a recurring basis and record the effect of any necessary adjustments prior to their publication. Judgments and estimates are based on our beliefs and assumptions derived from information available at the time such judgments and estimates are made. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of financial statements. There can be no assurance that actual results will not differ from those estimates.

Accordingly, we have identified the accounting principles which we believe are most critical to our reported financial status by considering accounting policies that involve the most complex or subjective decisions or assessments. We identified our most critical accounting policies to be those related to revenue recognition, accounting for business combinations, and estimation of the valuation allowance for deferred tax assets and unrecognized tax benefits. These accounting policies, as well as others, are described in Note 2, "Summary of Significant Accounting Policies" in the notes to our Consolidated Financial Statements and at relevant sections in this discussion and analysis.

Revenue Recognition. We enter into contracts principally on the basis of competitive bids. We frequently negotiate the final terms and prices of those contracts with the customer. Although the terms of our contracts vary considerably, approximately 90.0% of our revenues are based on either a fixed price or unit price basis in which we agree to do the work for a fixed amount for the entire project (fixed price) or for units of work performed (unit price). Approximately 10.0% of our revenues are earned from contracts where we are paid on a time and materials basis. Our most significant cost drivers are the cost of labor and materials. These costs may vary from the costs we originally estimated. Variations from estimated contract costs along with other risks inherent in performing fixed price and unit price contracts may result in actual revenue and gross profits or interim projected revenue and gross profits for a project differing from those we originally estimated and could result in losses on projects. Depending on the size of a particular project, variations from estimated project costs could have a significant impact on our operating results for any fiscal quarter or year.

We complete most of our projects within one year. We frequently provide service and maintenance work under open-ended, unit price master service agreements which are renewable annually. We recognize revenue on service, time and material work when services are performed. Work performed under a construction contract generally provides that the customers accept completion of progress to date and compensate us for services rendered, measured in terms of units installed, hours expended or some other measure of progress. Revenues from construction contracts are recognized on the percentage-of-completion method. Revenues recognized on a percentage-of-completion basis, all of which are fixed price or cost plus arrangements, comprised approximately 55% of our total revenue for the

year ended September 30, 2024. The percentage-of-completion method for construction contracts is measured principally by the percentage of costs incurred and accrued to date for each contract to the estimated total costs for each contract at completion. We generally consider contracts substantially complete upon departure from the work site and acceptance by the customer. Contract costs include all direct material and labor costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs and depreciation costs. Changes in job performance, job conditions, estimated contract costs, profitability and final contract settlements may result in revisions to costs and income, and the effects of such revisions are recognized in the period in which the revisions are determined. Provisions for total estimated losses on uncompleted contracts are made in the period in which such losses are determined.

We generally do not incur significant costs related to obtaining contracts, or initial set-up or mobilization costs, prior to the start of a project. When significant pre-contract costs are incurred, they will be capitalized and amortized on a percentage of completion basis over the life of the contract.

The current asset "Costs and estimated earnings in excess of billings" represents revenues recognized in excess of amounts billed that management believes will be billed and collected within the next twelve months. The current liability "Billings in excess of costs and estimated earnings" represents billings in excess of revenues recognized. Costs and estimated earnings in excess of billings are amounts considered recoverable from customers based on different measures of performance, including achievement of specific milestones, completion of specified units or completion of the contract. Also included in this asset, from time to time, are claims and unapproved change orders, which include amounts that we are in the process of collecting from our customers or agencies for changes in contract specifications or design, contract change orders in dispute or unapproved as to scope and price, or other related causes of unanticipated additional contract costs. Variable consideration, including claims and unapproved change orders, is estimated at probability weighted value we expect to receive (or the most probable amount we expect to incur in the case of liquidated damages, if any), utilizing estimation methods that best predict the amount of consideration to which we will be entitled (or will be incurred in the case of liquidated damages, if any). We do not recognize profits on construction costs incurred in connection with claims. Claims made by us involve negotiation and, in certain cases, litigation. Such litigation costs are expensed as incurred.

Business Combinations. In accounting for business combinations, certain assumptions and estimates are employed in determining the fair value of assets acquired, evaluating the fair value of liabilities assumed, as well as in determining the allocation of goodwill to the appropriate reporting unit. These estimates may be affected by factors such as changing market conditions affecting the industries in which we operate. The most significant assumptions requiring judgment involve identifying and estimating the fair value of intangible assets and the associated useful lives for establishing amortization periods. To finalize purchase accounting for significant intangible assets and liabilities, we utilize the services of independent valuation specialists to assist in the determination of the fair value.

Valuation Allowance for Deferred Tax Assets. We regularly evaluate valuation allowances established for deferred tax assets for which future realization is uncertain. We perform this evaluation quarterly. The estimation of required valuation allowances includes estimates of future taxable income. In assessing the realizability of deferred tax assets at September 30, 2024, we concluded, based upon the assessment of positive and negative evidence, that it is more likely than not that the Company will generate sufficient taxable income to realize its \$22.5 million of deferred tax assets. We considered the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

An inability to generate sufficient taxable income in future periods to realize our deferred tax assets may lead to a future need for a valuation allowance and a corresponding reduction in GAAP net income. In addition, any reduction in the federal statutory tax rate in the future could also cause a reduction in the economic benefit of the deferred tax assets available to us and a corresponding charge to reduce the book value of the deferred tax asset recorded on our Consolidated Balance Sheets.

Income Taxes. GAAP specifies the methodology by which a company must identify, recognize, measure and disclose in its financial statements the effects of any uncertain tax return reporting positions that it has taken or expects to take. GAAP requires financial statement reporting of the expected future tax consequences of uncertain tax return reporting positions on the presumption that all relevant tax authorities possess full knowledge of those tax reporting positions, as well as all of the pertinent facts and circumstances, but it prohibits discounting of any of the related tax effects for the time value of money.

The evaluation of a tax position is a two-step process. The first step is the recognition process to determine if it is more likely than not that a tax position will be sustained upon examination by the appropriate taxing authority, based on the technical merits of the position. The second step is a measurement process whereby a tax position that meets the more likely than not recognition threshold is calculated to determine the amount of benefit/expense to recognize in the financial statements. The tax position is measured at the largest amount of benefit/expense that is more likely than not of being realized upon ultimate settlement.

The tax years ended September 30, 2021 and forward are subject to federal audit as are prior tax years, to the extent of unutilized net operating losses generated in those years.

We anticipate that approximately \$10.8 million in liabilities for unrecognized tax benefits, including accrued interest, may be reversed in the next twelve months. This reversal is predominantly due to the expiration of the statutes of limitation for unrecognized tax benefits.

New Accounting Pronouncements. Recent accounting pronouncements are described in Note 2, “Summary of Significant Accounting Policies — *New Accounting Pronouncements*” in the notes to our Consolidated Financial Statements and at relevant sections in this discussion and analysis.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Management is actively involved in monitoring exposure to market risk and continues to develop and utilize appropriate risk management techniques. Our exposure to significant market risks includes fluctuations in labor costs and commodity prices for copper, aluminum, steel and fuel. Commodity price risks may have an impact on our results of operations due to the fixed price nature of many of our contracts. We are exposed to market price volatility as the fair value of our investments in marketable securities may fluctuate in response to changes in market value of such securities. We are also exposed to interest rate risk with respect to any debt obligations we may incur on our credit facility. For additional information see “*Risk Factors*” in Item 1A of this Annual Report on Form 10-K.

Commodity Risk

Our exposure to significant market risks includes fluctuations in commodity prices including, but not limited to, copper, aluminum, steel, electrical components, fuel, and certain plastics. Commodity price risks may have an impact on our results of operations due to the fixed nature of many of our contracts. Over the long-term, we expect to be able to pass along a portion of these costs to our customers, as market conditions in the construction industry will allow.

Investment Risk

We are exposed to market price volatility for our investments in marketable securities which are carried at fair value measured using market prices, with gains and losses included in Other (income) expense, net on our Consolidated Statements of Comprehensive Income. Changes in the market value of these investments could create volatility in our reported earnings from period to period, and a decline in value of our investments could have an adverse impact on our reported earnings. Changes in market value of investments measured at fair value resulted in an unrealized gain of \$1.8 million in the year ended September 30, 2024. As of September 30, 2024, we had investments in marketable securities with a fair value of \$35.0 million, and a 10% change in the market value of these investments would cause a \$3.5 million impact to our pre-tax income.

Interest Rate Risk

Floating rate debt, where the interest rate fluctuates periodically, exposes us to short-term changes in market interest rates. All of the long-term debt outstanding under our revolving credit facility is structured on floating rate terms. We currently do not maintain any hedging contracts that would limit our exposure to variable rates of interest when we have outstanding borrowings under our revolving credit facility. The Amended Credit Agreement uses SOFR as the benchmark for establishing the interest rate charged on our borrowings. If SOFR were to increase, our interest payment obligations on any then-outstanding borrowings would increase, having a negative effect on our cash flow and financial condition. We had no borrowings outstanding under our revolving credit facility as of September 30, 2024.

Item 8. Financial Statements and Supplementary Data

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of IES Holdings, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of IES Holdings, Inc. and subsidiaries (the Company) as of September 30, 2024 and 2023, the related consolidated statements of comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended September 30, 2024, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at September 30, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended September 30, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of September 30, 2024, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated November 22, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosures to which it relates.

Revenue recognition for certain fixed-price construction contracts

Description of the Matter As described in Notes 2 and 4 to the consolidated financial statements, the Company principally recognizes revenue on construction contracts over time using costs incurred as a percentage of estimated total costs at completion to determine the extent of progress toward satisfying performance obligations. The extent of progress is applied to the contract transaction price, which may include variable consideration associated with unapproved change orders, customer claims and incentives.

Revenue recognition under this method is subject to judgment as the determination of progress towards completion requires management to prepare estimates of the transaction price and total project costs to complete.

Auditing management's estimates for certain projects structured under fixed-price arrangements, and which are larger in size and longer in duration, was complex and subjective, requiring considerable judgment to evaluate management's determination of variable consideration, specifically as it related to the impact of reductions in scope and potential customer claims.

How We Addressed the Matter in Our Audit We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's estimating process, including controls over management's review of significant inputs and judgments with respect to the measurement of variable consideration.

Our audit procedures included, among others, evaluating appropriate application of the Company's revenue recognition method; testing significant assumptions used to develop the estimated transaction price; and testing the completeness and accuracy of the underlying data. To assess the reasonableness of management's estimated transaction price, we performed audit procedures that included, among others, agreeing the estimate to supporting documentation; conducting interviews with project personnel; attending select project review meetings; and performing retrospective review.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2002.

Houston, Texas
November 22, 2024

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of IES Holdings, Inc.

Opinion on Internal Control Over Financial Reporting

We have audited IES Holdings, Inc. and subsidiaries' internal control over financial reporting as of September 30, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, IES Holdings, Inc. and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of September 30, 2024, based on the COSO criteria.

As indicated in the accompanying Management's Report on Internal Control over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Greiner Industries, Inc., which is included in the 2024 consolidated financial statements of the Company and constituted 6% and 12% of total and net assets, respectively, as of September 30, 2024 and 1% of both revenues and net income for the year then ended. Our audit of internal control over financial reporting of the Company also did not include an evaluation of the internal control over financial reporting of Greiner Industries, Inc.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of September 30, 2024 and 2023, the related consolidated statements of comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended September 30, 2024, and the related notes and our report dated November 22, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP
Houston, Texas
November 22, 2024

IES HOLDINGS, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
(In Thousands, Except Share Information)

	September 30,	
	2024	2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 100,832	\$ 75,770
Marketable securities	35,003	—
Accounts receivable:		
Trade, net of allowance	469,833	363,836
Retainage	89,793	76,934
Inventories	101,728	95,655
Costs and estimated earnings in excess of billings	60,139	48,620
Prepaid expenses and other current assets	14,366	10,481
Total current assets	871,694	671,296
Property and equipment, net	134,197	63,410
Goodwill	93,960	92,395
Intangible assets, net	45,890	56,208
Deferred tax assets	22,458	20,383
Operating right of use assets	61,956	61,761
Other non-current assets	13,871	16,147
Total assets	\$ 1,244,026	\$ 981,600
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	363,582	296,797
Billings in excess of costs and estimated earnings	158,972	103,771
Total current liabilities	522,554	400,568
Long-term debt	—	—
Operating long-term lease liabilities	40,445	42,098
Other tax liabilities	16,677	22,047
Other non-current liabilities	12,241	16,951
Total liabilities	591,917	481,664
Noncontrolling interest	40,996	49,951
COMMITMENTS AND CONTINGENCIES (NOTE 18)		
STOCKHOLDERS' EQUITY:		
Preferred stock, \$0.01 par value, 10,000,000 shares authorized, none issued and outstanding	—	—
Common stock, \$0.01 par value, 100,000,000 shares authorized; 22,049,529 issued and 19,971,670 and 20,194,218 outstanding, respectively	220	220
Treasury stock, at cost, 2,077,859 and 1,855,311 shares, respectively	(90,325)	(49,450)
Additional paid-in capital	203,458	203,431
Retained earnings	497,760	295,784
Total stockholders' equity	611,113	449,985
Total liabilities and stockholders' equity	\$ 1,244,026	\$ 981,600

The accompanying notes are an integral part of these Consolidated Financial Statements.

IES HOLDINGS, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
(In Thousands, Except Share Information)

	Year Ended September 30,		
	2024	2023	2022
Revenues	\$ 2,884,358	\$ 2,377,227	\$ 2,166,808
Cost of services	2,187,768	1,932,688	1,847,878
Gross profit	696,590	444,539	318,930
Selling, general and administrative expenses	396,684	298,625	262,714
Contingent consideration	714	277	277
Gain on sale of assets	(1,684)	(14,139)	(69)
Operating income	300,876	159,776	56,008
Interest and other (income) expense:			
Interest expense	1,338	3,022	2,970
Other (income) expense, net	(5,128)	(1,794)	37
Income from operations before income taxes	304,666	158,548	53,001
Provision for income taxes	72,165	38,761	12,815
Net income	232,501	119,787	40,186
Net income attributable to noncontrolling interest	(13,385)	(11,499)	(5,424)
Comprehensive income attributable to IES Holdings, Inc.	<u>\$ 219,116</u>	<u>\$ 108,288</u>	<u>\$ 34,762</u>
Earnings per share attributable to common stockholders of IES Holdings, Inc.:			
Basic	\$ 10.02	\$ 4.58	\$ 1.45
Diluted	\$ 9.89	\$ 4.54	\$ 1.44
Shares used in the computation of earnings per share:			
Basic	20,160,143	20,196,850	20,667,745
Diluted	20,414,932	20,413,032	20,894,625

The accompanying notes are an integral part of these Consolidated Financial Statements.

IES HOLDINGS, INC. AND SUBSIDIARIES
Consolidated Statements of Stockholders' Equity
(In Thousands, Except Share Information)

	Common Stock		Treasury Stock		Additional Paid-In Capital	Retained Earnings	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			
BALANCE, September 30, 2021	22,049,529	\$ 220	(1,316,998)	\$ (29,300)	\$ 201,899	\$ 173,134	\$ 345,953
Issuance of share-based compensation	—	—	157,167	3,638	(3,638)	—	—
Acquisition of treasury stock	—	—	(556,798)	(18,556)	—	—	(18,556)
Options exercised	—	—	9,000	218	(165)	—	53
Non-cash compensation	—	—	—	—	3,775	—	3,775
Increase in noncontrolling interest	—	—	—	—	—	(4,699)	(4,699)
Net income attributable to IES Holdings, Inc.	—	—	—	—	—	34,762	34,762
BALANCE, September 30, 2022	22,049,529	\$ 220	(1,707,629)	\$ (44,000)	\$ 201,871	\$ 203,197	\$ 361,288
Issuance of share-based compensation	—	—	105,755	2,764	(2,764)	—	—
Acquisition of treasury stock	—	—	(256,437)	(8,294)	10	—	(8,284)
Options exercised	—	—	3,000	80	(58)	—	22
Non-cash compensation	—	—	—	—	4,372	—	4,372
Increase in noncontrolling interest	—	—	—	—	—	(15,701)	(15,701)
Net income attributable to IES Holdings, Inc.	—	—	—	—	—	108,288	108,288
BALANCE, September 30, 2023	22,049,529	\$ 220	(1,855,311)	\$ (49,450)	\$ 203,431	\$ 295,784	\$ 449,985
Issuance of share-based compensation	—	—	104,600	3,062	(3,062)	—	—
Acquisition of treasury stock	—	—	(329,648)	(44,028)	—	—	(44,028)
Options exercised	—	—	2,500	91	(72)	—	19
Non-cash compensation	—	—	—	—	5,517	—	5,517
Change in IES Holdings, Inc.'s ownership interest in consolidated subsidiaries	—	—	—	—	(2,356)	—	(2,356)
Increase in noncontrolling interest	—	—	—	—	—	(17,140)	(17,140)
Net income attributable to IES Holdings, Inc.	—	—	—	—	—	219,116	219,116
BALANCE, September 30, 2024	22,049,529	\$ 220	(2,077,859)	\$ (90,325)	\$ 203,458	\$ 497,760	\$ 611,113

The accompanying notes are an integral part of these Consolidated Financial Statements.

IES HOLDINGS, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(In Thousands)

	Year Ended September 30,		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$ 232,501	\$ 119,787	\$ 40,186
Adjustments to reconcile net income to net cash provided by operating activities:			
Bad debt expense (benefit)	1,481	(120)	3,141
Deferred financing cost amortization	287	268	199
Depreciation and amortization	37,103	29,407	25,468
Gain on sale of assets	(1,684)	(14,139)	(69)
Non-cash compensation expense	5,532	4,372	3,775
Deferred income tax expense (benefit) and other non-cash tax adjustments, net	(1,126)	5,185	(31)
Unrealized gain on trading securities	(1,789)	—	—
Changes in operating assets and liabilities			
Marketable securities	(33,214)	—	—
Accounts receivable	(93,507)	2,917	(87,160)
Inventories	(3,522)	(1,142)	(27,760)
Costs and estimated earnings in excess of billings	(3,979)	3,456	(8,688)
Prepaid expenses and other current assets	(16,720)	(7,322)	(18,609)
Other non-current assets	174	2,067	(3,006)
Accounts payable and accrued expenses	57,894	(10,047)	67,128
Billings in excess of costs and estimated earnings	54,550	19,051	22,450
Other non-current liabilities	423	162	(762)
Net cash provided by operating activities	<u>234,404</u>	<u>153,902</u>	<u>16,262</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property and equipment	(45,159)	(17,667)	(29,255)
Proceeds from sales of assets	3,694	20,602	219
Cash paid in conjunction with equity investments	(380)	(165)	(500)
Cash paid in conjunction with business combinations or dispositions, net of cash acquired	(67,002)	—	—
Net cash provided by (used in) investing activities	<u>(108,847)</u>	<u>2,770</u>	<u>(29,536)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings of debt	2,896,346	2,381,562	1,924,469
Repayments of debt	(2,896,346)	(2,464,221)	(1,882,148)
Cash paid for finance leases	(4,257)	(3,338)	(1,801)
Purchase of noncontrolling interest	(32,000)	—	—
Settlement of contingent consideration liability	(4,074)	—	—
Distribution to noncontrolling interest	(16,155)	(11,491)	(7,000)
Purchase of treasury stock	(44,028)	(8,284)	(18,556)
Options exercised	19	22	53
Net cash provided by (used in) financing activities	<u>(100,495)</u>	<u>(105,750)</u>	<u>15,017</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	25,062	50,922	1,743
CASH, CASH EQUIVALENTS, beginning of period	75,770	24,848	23,105
CASH, CASH EQUIVALENTS, end of period	<u>\$ 100,832</u>	<u>\$ 75,770</u>	<u>\$ 24,848</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid for interest	\$ 536	\$ 2,089	\$ 3,068
Cash paid for income taxes, net	\$ 61,614	\$ 12,056	\$ 3,953
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:			
Property and equipment acquired in exchange for liabilities	\$ —	\$ 4,712	\$ —
Contingent consideration liability assumed in conjunction with business combinations	\$ 2,790	\$ —	\$ —

The accompanying notes are an integral part of these Consolidated Financial Statements.

IES HOLDINGS, INC.
Notes to the Consolidated Financial Statements
(All Amounts in Thousands Except Share Amounts)

1. BUSINESS

Description of the Business

IES Holdings, Inc. 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 operations are organized into four business segments, based upon the nature of our services:

- **Communications** – Nationwide provider of technology infrastructure services, including the design, build, and maintenance of the communications infrastructure within data centers for co-location and managed hosting customers, for both large corporations and independent businesses.
- **Residential** – Regional provider of electrical installation services for single-family housing and multi-family apartment complexes, as well as heating, ventilation and air conditioning (HVAC) and plumbing installation services in certain markets.
- **Infrastructure Solutions** – Provider of electro-mechanical solutions for industrial operations, including apparatus repair and custom-engineered products such as generator enclosures used in data centers and other industrial applications.
- **Commercial & Industrial** – Provider of electrical and mechanical design, construction, and maintenance services to the commercial and industrial markets in various regional markets and nationwide in certain areas of expertise, such as the power infrastructure market and data centers.

The words “IES”, the “Company”, “we”, “our”, and “us” refer to IES Holdings, Inc. and, except as otherwise specified herein, to our consolidated subsidiaries.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying Consolidated Financial Statements include the accounts of IES Holdings, Inc. and its consolidated subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires the use of estimates and assumptions by management in determining the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are primarily used in our revenue recognition of construction in progress, fair value assumptions in accounting for business combinations, stock-based compensation, reserves for legal matters, and realizability of deferred tax assets and unrecognized tax benefits.

Cash and Cash Equivalents

We consider all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Marketable Securities

Marketable securities consist of highly liquid equity securities and debt securities with original maturities over three months. All of our marketable debt securities are classified as trading securities and mature after one year and before five years at September 30, 2024. Our marketable securities with readily determinable fair values are carried at fair value, with gains and losses included in Other (income) expense, net on our Consolidated Statements of Comprehensive Income.

Inventories

Inventories consist of raw materials, work in process, finished goods, and parts and supplies held for use in the ordinary course of business. Inventory is valued at the lower of cost or net realizable value generally using the first-in, first-out (FIFO) method. When circumstances dictate, we write down inventory to its estimated net realizable value based on assumptions about future demand, market conditions, plans for disposal, and physical condition of the product. Where shipping and handling costs on inventory purchases are borne by us, these charges are included in inventory and charged to cost of services upon use in our projects or the providing of services.

Property and Equipment

Additions of property and equipment are recorded at cost, and depreciation is computed using the straight-line method over the estimated useful life of the related asset. Leasehold improvements are capitalized and depreciated over the lesser of the life of the lease or the estimated useful life of the asset. Costs associated with software developed or obtained for internal use, including third party development fees incurred during the application development stage and software licenses, are capitalized and amortized on a straight-line basis over the estimated useful life of the software.

Expenditures for repairs and maintenance are charged to expense when incurred. Expenditures for major renewals and betterments, which extend the useful lives of existing property and equipment, are capitalized and depreciated. Upon retirement or disposition of property and equipment, the capitalized cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in the statements of comprehensive income in the caption (gain) loss on sale of assets.

Goodwill

Goodwill attributable to each reporting unit is tested for impairment either by comparing the fair value of each reporting unit with its carrying value or by a qualitative assessment. These impairment tests are required to be performed at least annually. On an ongoing basis (absent any impairment indicators), we perform an impairment test annually using a measurement date of September 30. In evaluating goodwill for impairment, we have the option to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is greater than its carrying value. If we determine that it is more likely than not that the carrying value of a reporting unit is greater than its fair value, then we perform an impairment test by calculating the fair value of the reporting unit and comparing this calculated fair value with the carrying value of the reporting unit.

We estimate the fair value of the reporting unit based on both a market approach and an income approach, using discounted estimated future cash flows. The market approach uses market multiples of enterprise value to earnings before interest, taxes, depreciation and amortization for comparable publicly traded companies. The income approach relies on significant estimates for future cash flows, projected long-term growth rates, and the weighted average cost of capital.

Intangible Assets

Intangible assets with definite lives are amortized over their estimated useful lives based on expected economic benefit with no residual value.

Debt Issuance Costs

Debt issuance costs are included as a reduction of our debt outstanding, or alternately classified within other non-current assets if we have no borrowings drawn on our credit facility at the balance sheet date, and are amortized to interest expense over the scheduled maturity of the debt. Amortization expense of debt issuance costs was \$287, \$268 and \$199, respectively, for the years ended September 30, 2024, 2023 and 2022. Remaining unamortized capitalized debt issuance costs were \$598 and \$836 at September 30, 2024, and 2023, respectively.

Revenue Recognition

Revenue is recognized from a contract with a customer when: (i) it has approval and commitment from both parties, (ii) the rights of the parties are identified, (iii) payment terms are identified, (iv) the contract has commercial substance, and (v) collectability of consideration is probable. We consider the start of a project to be when the above criteria have been met and we have written authorization from the customer to proceed.

We recognize revenue on project contracts over time using the percentage of completion method. Project contracts generally provide that customers accept completion of progress to date and compensate us for services rendered measured in terms of units installed, hours expended or some other measure of progress. We recognize revenue on both signed contracts and change orders. A discussion of our treatment of claims and unapproved change orders is described later in this section. Percentage of completion for construction contracts is measured principally by the percentage of costs incurred and accrued to date for each contract to the estimated total cost for each contract at completion. We generally consider contracts to be substantially complete upon departure from the work site and acceptance by the customer. Contract costs include all direct material, labor and insurance costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs and depreciation costs. Changes in job performance, job conditions, estimated contract costs and profitability and final contract settlements can result in change orders under which the customer agrees to pay additional contract price. Revisions can also result in claims we might make against the customer to recover additional costs that have not been resolved through change orders with the customer. We recognize revenue from change orders or claims when recovery of such amounts is probable. The amount of revenue associated with unapproved change orders and claims was immaterial for the years ended September 30, 2024, 2023 and 2022. Provisions for total estimated losses on uncompleted contracts are

made in the period in which such losses are determined. The balances billed but not paid by customers pursuant to retainage provisions in project contracts are typically due upon completion of the contracts and acceptance by the customer. Based on our experience, the retention balance at each balance sheet date will be collected within the subsequent fiscal year.

Certain divisions in our operating segments recognize revenue at the completion of the contract ("completed contract") under the right to invoice practical expedient because the duration of their contracts is short in nature. We recognize revenue on completed contracts when the project is complete and billable to the customer.

Accounts Receivable and Allowance for Credit Losses

We record accounts receivable for all amounts billed and not collected and amounts for which we have an unconditional right to bill our customers. Additionally, we provide an allowance for credit losses based on historical company-specific uncollectable accounts, as well as current and expected market conditions. From time to time, we establish additional allowance for credit losses for financial asset balances with specific customers where collectability has been determined to be improbable based on specific facts and circumstances. Such allowances are established as deemed necessary in the period such determination is made. As is common in our industry, some of these receivables are in litigation or require us to exercise our contractual lien rights in order to collect. Our allowance for credit losses at September 30, 2024 and 2023 was \$1,818 and \$1,649, respectively.

In calculating our expected credit losses, we consider trade receivables, retainage, and costs and estimated earnings in excess of billings, all of which constitute a homogenous portfolio, and therefore, to measure the expected credit loss, they are grouped together.

We have elected to calculate an expected credit loss based on loss rates from historical data. Each segment groups financial assets with similar risk characteristics and collectively assesses the expected credit losses. If an individual asset experiences credit deterioration to the extent the credit risk is no longer characteristic of the other assets in the group, it will be analyzed individually. The loss rates for our portfolios include our history of credit loss expense, the aging of our receivables, our expectation of payments and adjustment for forward-looking factors specific to the macroeconomic trends in the markets we serve.

Comprehensive Income (Loss)

Comprehensive income (loss) includes all changes in equity during a period except those resulting from investments by and distributions to stockholders.

Income Taxes

We follow the liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are recorded for the future income tax consequences of temporary differences between the financial reporting and income tax bases of assets and liabilities, and are measured using enacted tax rates and laws.

We evaluate valuation allowances established for deferred tax assets for which future realization is uncertain on a quarterly basis. In assessing the realizability of deferred tax assets, we must consider whether it is more likely than not some portion, or all, of the deferred tax assets will not be realized. We consider all available evidence, both positive and negative, in determining whether a valuation allowance is required. At September 30, 2024, we concluded, based upon the assessment of positive and negative evidence, that it is more likely than not that the Company will generate sufficient taxable income to realize net deferred tax assets of \$22,458. We considered the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. If actual future taxable income is different from these estimates, our results could be affected.

We record reserves for income taxes related to certain tax positions when management considers it more likely than not that additional taxes may be due in excess of amounts reflected on income tax returns filed. When recording these reserves, we assume that taxing authorities have full knowledge of the position and all relevant facts. We continually review exposure to additional tax obligations, and as further information is known or events occur, changes in tax reserves may be recorded. To the extent interest and penalties may be assessed by taxing authorities on any underpayment of income tax, such amounts have been accrued and included in the provision for income taxes.

Fair Value of Financial Instruments

Our financial instruments consist of cash and cash equivalents, marketable securities, accounts receivable, accounts payable, and a loan agreement. We believe that the carrying value of financial instruments approximates their fair value due to their short-term nature. The carrying value of our debt approximates fair value, as debt incurs interest at a variable rate.

Noncontrolling Interest

In connection with our acquisitions of Edmonson Electric, LLC (“Edmonson”) and Bayonet Plumbing, Heating & Air-Conditioning, LLC (“Bayonet”) in fiscal 2021, and NEXT Electric, LLC (“NEXT”) in fiscal 2017, we acquired an 80 percent interest in each of the entities, with the remaining 20 percent interest in each such entity being retained by the respective third party sellers. The interests retained by those third party sellers are identified on our Consolidated Balance Sheets as noncontrolling interest, classified outside of permanent equity. Under the terms of each entity’s operating agreement, after five years from the date of the acquisition, we may elect to purchase, or the third party seller may require us to purchase, part or all of the remaining 20 percent interest in the applicable entity. The purchase price is variable, based on a multiple of earnings as defined in the operating agreements. Therefore, this noncontrolling interest is carried at the greater of the balance determined under Accounting Standards Codification (“ASC”) 810 and the redemption amounts assuming the noncontrolling interests were redeemable at the balance sheet date.

On June 28, 2024, we purchased the remaining 20 percent noncontrolling interest in Bayonet for \$32,000. As we retained our controlling interest in Bayonet, the change in ownership interest was accounted for as an equity transaction. The difference between the balance of the noncontrolling interest at the date of redemption of the remaining interests and the consideration paid was recognized in Additional Paid-In Capital in the accompanying Consolidated Balance Sheets and was not reflected in earnings.

If all of the noncontrolling interests remaining outstanding at September 30, 2024 had been redeemable at that date, the redemption amount would have been \$40,996.

The activity in redeemable noncontrolling interest is summarized in the table below.

	Year Ended September 30,		
	2024	2023	2022
Balance at beginning of period	\$ 49,951	\$ 29,193	\$ 24,594
Net income attributable to noncontrolling interests	13,385	11,499	5,424
Distributions to noncontrolling interests	(16,155)	(11,491)	(7,000)
Adjustments to record noncontrolling interests at redemption value	22,695	20,750	6,175
Adjustment to record noncontrolling interests at value of consideration paid to acquire ownership interest	3,120	—	—
Purchase of ownership interest from noncontrolling interests	(32,000)	—	—
Balance at end of period	\$ 40,996	\$ 49,951	\$ 29,193

Leases

We enter into various contractual arrangements for the right to use facilities, vehicles and equipment. We evaluate whether each of these arrangements contains a lease and classify all identified leases as either operating or finance. If the arrangement is subsequently modified, we re-evaluate our classification. The lease term generally ranges from two to ten years for facilities and three to five years for vehicles and equipment. Our lease terms may include the exercise of renewal or termination options when it is reasonably certain these options will be exercised. Our lease agreements do not contain any material residual value guarantees or restrictive covenants.

Upon commencement of the lease, we recognize a lease liability and corresponding right-of-use (“ROU”) asset for all leases with an initial term greater than twelve months. Lease liabilities represent the present value of our future lease payments over the expected lease term. As most of our leases do not provide an implicit rate, we generally use our incremental borrowing rate as the discount rate in calculating the present value of the lease payments. The incremental borrowing rate is determined by identifying a synthetic credit rating for the consolidated company, where treasury functions are centrally managed, and adjusting the interest rates from associated indexes for differences in credit risk and interest rate risk. We have elected to combine the lease and nonlease components in the recognition of our lease liabilities across all classes of underlying assets. ROU assets represent our right to control the use of the leased asset during the lease and are recognized in an amount equal to the lease liability with adjustments for prepaid or accrued rent, lease incentives or unamortized initial direct costs. Costs associated with ROU assets are recognized on a straight-line basis over the term of the lease. Our lease assets are tested for impairment in the same manner as long-lived assets used in operations.

Certain lease contracts include obligations to pay for other services, such as operations and maintenance. Where the costs of these services can be identified as fixed or fixed-in-substance, the costs are included as part of the future lease payments. If the cost is not fixed at the inception of the lease, the cost is recorded as a variable cost in the period incurred.

Accounting Standards Recently Adopted

In October 2021, the Financial Accounting Standards Board (“FASB”) issued Accounting Standard Update No. 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers (“ASU 2021-08”).

This standard amends the existing guidance under ASC 805 to add contract assets and contract liabilities to the list of exceptions to the recognition and measurement principles that apply to business combinations. Under this standard, the acquirer of a business is expected to recognize and measure acquired contract assets and contract liabilities as if the acquirer entered into the original contract on the same date with the same terms in accordance with ASC 606 rather than at fair value on the date of acquisition. This update is effective for fiscal years beginning after December 15, 2022 and for interim periods within that year. We adopted this standard on October 1, 2023 using the prospective method. ASU 2021-08 impacts how we account for business combinations completed after its adoption.

In December 2019, the FASB issued Accounting Standard Update No. 2019-12, “Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes.” This standard simplifies the accounting for income taxes by eliminating certain exceptions to the guidance in Topic 740 related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. The standard also simplifies aspects of the accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. This update is effective for fiscal years beginning after December 15, 2020 and for interim periods within that year. Early adoption is permitted. We adopted this standard on October 1, 2021 with immaterial impact on our Consolidated Financial Statements.

Recent Accounting Pronouncements and Disclosure Rules Not Yet Adopted

In December 2023, the FASB issued Accounting Standard Update No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures (“ASU 2023-09”). This standard requires more detailed disclosure within the tax rate reconciliation table, as well as additional information about cash taxes paid. This update is effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. We are evaluating the impact this update will have on our annual disclosures; however, it will not impact our financial condition, results of operations, or cash flows.

In November 2023, the FASB issued Accounting Standard Update No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures (“ASU 2023-07”). This standard requires disclosure of significant segment expenses, other segment items, and additional information about the chief operating decision maker (“CODM”). This update is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted, and retrospective application is required. We are evaluating the impact this update will have on our annual disclosures; however, it will not impact our financial condition, results of operations, or cash flows.

In November 2024, the FASB issued Accounting Standard Update No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses (“ASU 2024-03”). This standard requires additional disclosures over certain expenses, including purchases of inventory, employee compensation, depreciation, intangible asset amortization, and other specific expense categories. This standard also requires disclosure of the total amount of selling expenses and the Company's definition of selling expenses. This update is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. We are evaluating the impact this update will have on our annual disclosures; however, it will not impact our financial condition, results of operations, or cash flows.

3. CONTROLLING SHAREHOLDER

Tontine Associates, L.L.C. (“Tontine Associates”), together with its affiliates (collectively, “Tontine”) is the Company's controlling stockholder, owning approximately 55 percent of the Company's outstanding common stock based on a Form 4 filed by Tontine with the SEC on September 16, 2024 and the Company's shares outstanding as of November 18, 2024. Accordingly, Tontine has the ability to exercise significant control over our affairs, including the election of directors and most actions requiring the approval of shareholders.

While Tontine is subject to certain restrictions under federal securities laws on sales of its shares as an affiliate, the Company has filed a resale shelf registration statement to register for resale a majority of the shares of IES common stock owned by Tontine. As long as the resale shelf registration statement remains effective and the Company remains eligible to use it, Tontine has the ability to resell any or all of its registered shares from time to time in one or more offerings, as described in the resale shelf registration statement and in any prospectus supplement filed in connection with an offering pursuant to the resale shelf registration statement.

Should Tontine, or its underlying individual owners, sell or otherwise dispose of all or a significant portion of its position in IES, a change in ownership of IES could occur. A change of control would trigger the change of control provisions in a number of our material agreements, including our credit agreement, bonding agreements with our sureties and our executive severance plan.

Jeffrey L. Gendell was appointed as Chief Executive Officer of the Company effective October 1, 2020, having served as the Company's Interim Chief Executive Officer since July 31, 2020. Mr. Gendell also serves as Chairman of the Board of Directors, a position he has held since November 2016. He is the managing member and founder of Tontine, and the brother of David B. Gendell, who has served as a member of our Board of Directors since February 2012, and who previously served as Interim Director of Operations from November 2017 to January 2019, as Vice Chairman of the Board from November 2016 to November 2017 and as Chairman of the Board from January 2015 to November 2016. David B. Gendell was an employee of Tontine from 2004 until January 2018.

The Company is a party to a sublease agreement with Tontine Associates, for corporate office space in Greenwich, Connecticut. In December 2022, the Company entered into an amendment of the sublease agreement, which was set to terminate on February 28, 2023, to extend the term of the agreement through August 31, 2024 and to increase the monthly payments from approximately \$8 to approximately \$9 effective March 1, 2023. On August 1, 2024, the Company entered into an amendment of the sublease agreement to extend the term of the agreement through September 30, 2025, effective September 1, 2024. Payments by the Company are at a rate consistent with that paid by Tontine Associates to its landlord.

On December 6, 2018, the Company entered into a Board Observer Letter Agreement (the "Observer Agreement") with Tontine Associates, in order to assist Tontine in managing its investment in the Company. Subject to the terms and conditions set forth in the Observer Agreement, the Company granted Tontine the right, at any time that Tontine holds at least 20% of the outstanding common stock of the Company, to appoint a representative to serve as an observer to the Board (the "Board Observer"). The Board Observer, who must be reasonably acceptable to those members of the Board who are not affiliates of Tontine, shall have no voting rights or other decision making authority. Subject to the terms and conditions set forth in the Observer Agreement, so long as Tontine has the right to appoint a Board Observer, the Board Observer will have the right to attend and participate in meetings of the Board and the committees thereof, subject to confidentiality requirements, and to receive reimbursement for reasonable out-of-pocket expenses incurred in his or her capacity as a Board Observer and such rights to coverage under the Company's directors' and officers' liability insurance policy as are available to the Company's directors.

4. REVENUE RECOGNITION

Contracts

Our revenue is derived from contracts with customers, and we determine the appropriate accounting treatment for each contract at its inception. Our contracts primarily relate to electrical and mechanical contracting services, technology infrastructure products and services, and electro-mechanical solutions for industrial operations. Revenue is earned based upon an agreed fixed price or actual costs incurred plus an agreed upon percentage.

We account for a contract when: (i) it has approval and commitment from both parties, (ii) the rights of the parties are identified, (iii) payment terms are identified, (iv) the contract has commercial substance, and (v) collectability of consideration is probable. We consider the start of a project to be when the above criteria have been met and we have written authorization from the customer to proceed.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied.

In our Residential Single-family business and our Infrastructure Solutions Industrial Services business, our contracts are generally in the form of purchase orders issued to us by the customer. We recognize revenue upon completion of the services specified in the purchase order.

We recognize revenue over time for the majority of the services we perform, other than the Residential Single-family and Infrastructure Solutions Industrial Services businesses, as (i) control continuously transfers to the customer as work progresses at a project location controlled by the customer and (ii) we have the right to bill the customer as costs are incurred. Within our Infrastructure Solutions Custom Engineered Solutions business, we often perform work inside our own facilities, where control does not continuously transfer to the customer as work progresses. In such cases, we evaluate whether the work performed creates an asset with alternative use to the Company and whether we have the right to bill the customer as costs are incurred. Such assessment involves an evaluation of contractual termination clauses. Where we are creating an asset with no alternative use and we have a contractual right to payment for work performed to date, we recognize revenue over time. If we do not have such a right, we recognize revenue upon completion of the contract, when control of the work transfers to the customer.

For arrangements where we recognize revenue over time, we generally use the percentage of completion method of accounting under which revenue recognized is measured principally by the costs incurred and accrued to date for each contract as a percentage of the

estimated total cost for each contract at completion. Contract costs include all direct material, labor and indirect costs related to contract performance. Changes in job performance, job conditions, estimated contract costs and profitability and final contract settlements may result in revisions to costs and income, and the effects of these revisions are recognized in the period in which the revisions are determined. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. This measurement and comparison process requires updates to the estimate of total costs to complete the contract, and these updates may include subjective assessments and judgments. Revenue for arrangements whose durations are short in nature is recognized when the project is complete and billable to the customer under the right to invoice practical expedient.

Variable Consideration

The transaction price for our contracts may include variable consideration, which includes changes to transaction price for approved and unapproved change orders, claims and incentives. Change orders, claims and incentives are generally not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as a modification of the existing contract. We estimate variable consideration at the probability weighted value we expect to receive (or the most probable amount we expect to incur in the case of liquidated damages, if any), utilizing estimation methods that best predict the amount of consideration to which we will be entitled (or will be incurred in the case of liquidated damages, if any). We include variable consideration in the estimated transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur or when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in transaction price are based largely on an assessment of our anticipated performance and all information (historical, current and forecasted) that is reasonably available to us. The effect of variable consideration on the transaction price of a performance obligation is recognized as an adjustment to revenue on a cumulative catch-up basis. To the extent unapproved change orders and claims reflected in transaction price (or accounted for as a reduction of the transaction price in the case of liquidated damages) are not resolved in our favor, or to the extent incentives reflected in transaction price are not earned, there could be reductions in, or reversals of, previously recognized revenue.

Disaggregation of Revenue

We disaggregate our revenue from contracts with customers by activity and contract type, as these categories reflect how the nature, amount, timing and uncertainty of our revenue and cash flows are affected by economic factors. During the year ended September 30, 2024, we began to disaggregate the revenue from our Residential operating segment's single-family electrical and single-family plumbing & HVAC businesses, which was aggregated under our Residential single-family business in prior periods, to provide more detail about the major product lines significant to our Residential business. Our consolidated revenue for the years ended September 30, 2024, 2023 and 2022 was derived from the following activities. Prior period amounts have been reclassified to conform with the current period presentation, where applicable. See details in the following tables:

	Year Ended September 30,		
	2024	2023	2022
Communications	\$ 776,474	\$ 600,776	\$ 559,777
Residential			
Single-family Electrical	732,334	717,386	660,602
Single-family Plumbing & HVAC	324,911	243,885	164,903
Multi-family and Other	331,595	318,233	305,909
Total Residential	1,388,840	1,279,504	1,131,414
Infrastructure Solutions			
Industrial Services	53,291	46,091	65,686
Custom Engineered Solutions	297,805	171,262	101,427
Total Infrastructure Solutions	351,096	217,353	167,113
Commercial & Industrial	367,948	279,594	308,504
Total Revenue	\$ 2,884,358	\$ 2,377,227	\$ 2,166,808

Year Ended September 30, 2024					
	Communications	Residential	Infrastructure Solutions	Commercial & Industrial	Total
Fixed-price	\$ 554,160	\$ 1,388,840	\$ 336,786	\$ 316,365	\$ 2,596,151
Time-and-material	222,314	—	14,310	51,583	288,207
Total revenue	\$ 776,474	\$ 1,388,840	\$ 351,096	\$ 367,948	\$ 2,884,358

Year Ended September 30, 2023					
	Communications	Residential	Infrastructure Solutions	Commercial & Industrial	Total
Fixed-price	\$ 404,684	\$ 1,279,504	\$ 210,547	\$ 241,159	\$ 2,135,894
Time-and-material	196,092	—	6,806	38,435	241,333
Total revenue	\$ 600,776	\$ 1,279,504	\$ 217,353	\$ 279,594	\$ 2,377,227

Year Ended September 30, 2022					
	Communications	Residential	Infrastructure Solutions	Commercial & Industrial	Total
Fixed-price	\$ 367,513	\$ 1,131,414	\$ 159,994	\$ 282,522	\$ 1,941,443
Time-and-material	192,264	—	7,119	25,982	225,365
Total revenue	\$ 559,777	\$ 1,131,414	\$ 167,113	\$ 308,504	\$ 2,166,808

Accounts Receivable

Accounts receivable include amounts which we have billed or have an unconditional right to bill our customers. As of September 30, 2024, accounts receivable included \$13,660 of unbilled receivables for which we have an unconditional right to bill.

Contract Assets and Liabilities

Project contracts typically provide for a schedule of billings on percentage of completion of specific tasks inherent in the fulfillment of our performance obligation(s). The schedules for such billings usually do not precisely match the schedule on which costs are incurred. As a result, contract revenue recognized in the statement of operations can and usually does differ from amounts that can be billed to the customer at any point during the contract. Amounts by which cumulative contract revenue recognized on a contract as of a given date exceeds cumulative billings and unbilled receivables to the customer under the contract are reflected as a current asset in our Consolidated Balance Sheets under the caption “Costs and estimated earnings in excess of billings”. Amounts by which cumulative billings to the customer under a contract as of a given date exceed cumulative contract revenue recognized are reflected as a current liability in our Consolidated Balance Sheets under the caption “Billings in excess of costs and estimated earnings”.

During the years ended September 30, 2024 and 2023, we recognized revenue of \$98,564 and \$82,520 related to our contract liabilities at October 1, 2023 and 2022, respectively.

We did not have any impairment losses recognized on our receivables or contract assets for the years ended September 30, 2024, 2023 and 2022.

Remaining Performance Obligations

Remaining performance obligations represent the unrecognized revenue value of our contract commitments. New awards represent the total expected revenue value of new contract commitments undertaken during a given period, as well as additions to the scope of existing contract commitments. Our new performance obligations vary significantly each reporting period based on the timing of our major new contract commitments. At September 30, 2024, we had remaining performance obligations of \$1,175,695. The Company expects to recognize revenue on approximately \$1,011,974 of the remaining performance obligations over the next 12 months, with the remaining recognized thereafter.

For the year ended September 30, 2024, net revenue recognized from our performance obligations satisfied in previous periods was not material.

5. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	Estimated Useful Lives in Years	Year Ended September 30,	
		2024	2023
Land	N/A	\$ 9,482	\$ 4,181
Buildings and improvements	5 - 20	55,805	33,753
Machinery and equipment	3 - 10	117,774	65,787
Information systems	2 - 8	14,968	14,508
Furniture and fixtures	5 - 7	2,976	2,507
Construction in progress		6,578	1,367
Property and equipment, gross		\$ 207,583	\$ 122,103
Less-Accumulated depreciation		(73,386)	(58,693)
Property and equipment, net		\$ 134,197	\$ 63,410

Depreciation expense, including amortization of internal-use software, was \$19,533, \$12,121 and \$10,073, respectively, for the years ended September 30, 2024, 2023 and 2022.

6. PER SHARE INFORMATION

Basic earnings per share is calculated as income (loss) available to common stockholders, divided by the weighted average number of common shares outstanding during the period. If the effect is dilutive, participating securities are included in the computation of basic earnings per share. Our participating securities do not have a contractual obligation to share in the losses in any given period. As a result, these participating securities will not be allocated any losses in the periods of net losses, but will be allocated income in the periods of net income using the two-class method.

The following table reconciles the components of the basic and diluted earnings per share for the years ended September 30, 2024, 2023 and 2022:

	Year Ended September 30,		
	2024	2023	2022
Numerator:			
Net income attributable to IES Holdings, Inc.	\$ 219,116	\$ 108,288	\$ 34,762
Increase in noncontrolling interest	(17,140)	(15,701)	(4,695)
Net income attributable to restricted shareholders of IES Holdings, Inc.	—	(11)	(21)
Net income attributable to common shareholders of IES Holdings, Inc.	\$ 201,976	\$ 92,576	\$ 30,046
Denominator:			
Weighted average common shares outstanding — basic	20,160,143	20,196,850	20,667,745
Effect of dilutive stock options and non-vested securities	254,789	216,182	226,880
Weighted average common and common equivalent shares outstanding — diluted	20,414,932	20,413,032	20,894,625
Earnings per share attributable to common shareholders of IES Holdings, Inc.:			
Basic	\$ 10.02	\$ 4.58	\$ 1.45
Diluted	\$ 9.89	\$ 4.54	\$ 1.44

For the years ended September 30, 2024, 2023 and 2022, the average price of our common stock exceeded the exercise price of outstanding stock options; therefore, all of our outstanding stock options were included in the computation of diluted earnings per share. For the years ended September 30, 2024, 2023 and 2022, there were no other unvested performance awards excluded from the calculation of diluted earnings per share because the inclusion of such instruments would have been anti-dilutive.

7. DETAIL OF CERTAIN BALANCE SHEET ACCOUNTS

Accounts payable and accrued expenses consist of the following:

	September 30,	
	2024	2023
Accounts payable, trade	\$ 149,381	\$ 138,591
Accrued compensation and benefits	116,465	90,667
Accrued insurance liabilities	11,158	7,726
Current operating lease liabilities	21,981	19,496
Income taxes payable	22,778	10,414
Other accrued expenses	41,819	29,903
	<u>\$ 363,582</u>	<u>\$ 296,797</u>

8. DEBT

We had no outstanding borrowings as of September 30, 2024 or 2023. At September 30, 2024, we had \$4,756 in outstanding letters of credit and \$143,381 of availability under our revolving credit facility. Any amounts outstanding under our revolving credit facility are due and payable in September 2026, upon expiration of our revolving credit facility, and all amounts described as available are available without triggering our financial covenants under the Amended Credit Agreement (as defined below).

The interest rate under our revolving credit facility was 6.33% at September 30, 2024. For the years ended September 30, 2024, 2023 and 2022, we incurred interest expense of \$1,338, \$3,022 and \$2,970, respectively.

The Revolving Credit Facility

On April 28, 2022 we entered into the Third Amended and Restated Credit and Security Agreement (the "Amended Credit Agreement"), which, among other things, increased the maximum borrowing amount under our revolving credit facility from \$125,000 to \$150,000. The Amended Credit Agreement also removed the aggregate cap on Company investments in certain securities and the cap on the Company's ability to make stock repurchases, in each case subject to the satisfaction of certain liquidity requirements. The Amended Credit Agreement, which matures on September 30, 2026, contains customary affirmative, negative and financial covenants. As of September 30, 2024, the Company was in compliance with the financial covenants under the Amended Credit Agreement, requiring that we maintain:

- a Fixed Charge Coverage Ratio (as defined in the Amended Credit Agreement), measured quarterly on a trailing four-quarter basis at the end of each quarter, of at least 1.1 to 1.0; and
- minimum Liquidity of at least ten percent (10%) of the Maximum Revolver Amount, or \$15,000; with, for purposes of this covenant, at least fifty percent (50%) of our Liquidity comprised of Excess Availability (as defined in the Amended Credit Agreement).

At September 30, 2024, our Liquidity was \$244,213, our Excess Availability was \$143,381 (or greater than 50% of minimum Liquidity), and our Fixed Charge Coverage Ratio was 3.4:1.0.

If in the future our Liquidity falls below the amount required by the Amended Credit Agreement (or Excess Availability falls below 50% of our minimum Liquidity), our Fixed Charge Coverage Ratio is less than 1.1:1.0, or if we otherwise fail to perform or otherwise comply with certain of our covenants or other agreements under the Amended Credit Agreement, it would result in an event of default under the Amended Credit Agreement, which could result in some or all of any indebtedness we may take on becoming immediately due and payable.

9. LEASES

We enter into various contractual arrangements for the right to use facilities, vehicles and equipment. The lease term generally ranges from two to ten years for facilities and three to five years for vehicles and equipment. Our lease terms may include the exercise of renewal or termination options when it is reasonably certain these options will be exercised. Our lease agreements do not contain any material residual value guarantees or restrictive covenants.

Current operating lease liabilities were \$21,981 and \$19,496, respectively, as of September 30, 2024 and 2023, and current finance lease liabilities were \$4,563 and \$4,301, respectively, as of September 30, 2024 and 2023. Current operating and finance lease

liabilities were included in "Accounts payable and accrued expenses" in the Consolidated Balance Sheets as of September 30, 2024 and 2023. Non-current finance lease liabilities and finance lease right-of-use assets were included in the "Other non-current liabilities" and "Other non-current assets", respectively, in the Consolidated Balance Sheets.

The maturities of our lease liabilities as of September 30, 2024, are as follows:

	Operating Leases	Finance Leases	Total
2025	\$ 22,487	\$ 4,701	\$ 27,188
2026	18,512	3,916	22,428
2027	13,526	2,148	15,674
2028	7,848	379	8,227
2029	3,591	46	3,637
Thereafter	3,467	—	3,467
Total undiscounted lease payments	\$ 69,431	\$ 11,190	\$ 80,621
Less: imputed interest	7,005	896	7,901
Present value of lease liabilities	\$ 62,426	\$ 10,294	\$ 72,720

The total future undiscounted cash flows related to lease agreements committed to but not yet commenced as of September 30, 2024, is \$8,542.

Lease cost recognized in our Consolidated Statements of Comprehensive Income is summarized as follows:

	Year Ended September 30,		
	2024	2023	2022
Operating lease cost	\$ 21,933	\$ 18,501	\$ 16,000
Finance lease cost			
Amortization of lease assets	4,370	3,603	1,729
Interest on lease liabilities	553	746	269
Finance lease cost	4,923	4,349	1,998
Short-term lease cost	1,558	1,883	2,426
Variable lease cost	4,518	2,805	1,900
Total lease cost	\$ 32,932	\$ 27,538	\$ 22,324

Other information about lease amounts recognized in our Consolidated Financial Statements is summarized as follows:

	Year Ended September 30,		
	2024	2023	2022
Operating cash flows used for operating leases	\$ 24,381	\$ 22,022	\$ 20,799
Operating cash flows used for finance leases	553	746	269
Right-of-use assets obtained in exchange for new operating lease liabilities	21,795	27,491	31,422
Right-of-use assets obtained in exchange for new finance lease liabilities	1,678	5,973	7,950

	Year Ended September 30,	
	2024	2023
Weighted-average remaining lease term - operating leases	3.8 years	4.5 years
Weighted-average remaining lease term - finance leases	2.7 years	3.4 years
Weighted-average discount rate - operating leases	5.5 %	5.1 %
Weighted-average discount rate - finance leases	6.2 %	6.0 %

For a discussion of leases with certain related parties which are included above, see Note 13, "Related-Party Transactions."

Rent expense was \$23,491, \$20,384 and \$18,426 for the years ended September 30, 2024, 2023 and 2022, respectively.

10. INCOME TAXES

Federal and state income tax provisions are as follows:

	Year Ended September 30,		
	2024	2023	2022
Federal:			
Current	\$ 53,318	\$ 27,205	\$ 9,401
Deferred	2,672	4,300	3
State:			
Current	14,603	6,370	3,445
Deferred	1,572	886	(34)
Total provision for income taxes	\$ 72,165	\$ 38,761	\$ 12,815

Actual income tax expense differs from income tax expense computed by applying the U.S. federal statutory corporate rate to income (loss) before income taxes as follows:

	Year Ended September 30,		
	2024	2023	2022
Provision at the federal statutory rate	\$ 63,980	\$ 33,295	\$ 11,130
Increase resulting from:			
Non-deductible expenses	4,285	2,017	1,610
State income taxes, net of federal deduction	11,952	6,338	2,114
Contingent tax liabilities	—	396	—
Change in valuation allowance	138	—	283
Other	743	—	427
Decrease resulting from:			
Share-based compensation	(601)	(332)	(665)
Noncontrolling interest	(2,811)	(2,415)	(1,139)
Change in valuation allowance	—	(52)	—
Contingent tax liabilities	(5,521)	—	(133)
Component 2 goodwill utilization	—	—	(812)
Other	—	(486)	—
Total provision for income taxes	\$ 72,165	\$ 38,761	\$ 12,815

Deferred income tax provisions result from temporary differences in the recognition of income and expenses for financial reporting purposes and for income tax purposes. The income tax effects of these temporary differences, representing deferred income tax assets and liabilities, result principally from the following:

	September 30,	
	2024	2023
Deferred income tax assets:		
Allowance for credit losses	\$ 371	\$ 349
Accrued expenses	19,415	18,167
Net operating loss carryforward	2,701	4,224
Various reserves	2,073	1,718
Intangible assets	390	—
Partnerships	7,200	7,539
Share-based compensation	1,364	1,298
Lease asset	15,630	14,207
Other	1,068	1,057
Subtotal	50,212	48,559
Less valuation allowance	961	823
Total deferred income tax assets	49,251	47,736
Deferred income tax liabilities:		
Property and equipment	10,319	2,231
Intangible assets	—	9,984
Lease liability	15,475	14,102
Other	999	1,036
Total deferred income tax liabilities	26,793	27,353
Net deferred income tax assets	\$ 22,458	\$ 20,383

In fiscal 2024 and 2023, the valuation allowance on our deferred tax assets increased by \$138 and decreased by \$52, respectively, which is included in “Provision for income taxes” in our Consolidated Statements of Comprehensive Income.

As of September 30, 2024, we had available approximately \$4,493 of federal net tax operating loss carry forward for federal income tax purposes. This carry forward, which may provide future tax benefits, is subject to an annual limitation of \$709 under Section 382 of the Internal Revenue Code and will begin to expire in 2029. As of September 30, 2024, we had available approximately \$40,085 state net tax operating loss carry forwards, including \$1,665 from net operating losses on which no tax benefit has been recognized and has not been recorded as a deferred tax asset. The significant majority of these carry forwards, which may provide future tax benefits, will not begin to expire until 2026. We have provided valuation allowances on all net operating losses where it is determined it is more likely than not that they will expire without being utilized.

In assessing the realizability of deferred tax assets at September 30, 2024, we considered whether it was more likely than not that some portion or all of the deferred tax assets will not be realized. Our realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which these temporary differences become deductible. As a result, we have recorded a net deferred tax asset of \$22,458 on our Consolidated Balance Sheets. We will continue to evaluate the appropriateness of our remaining deferred tax assets and need for valuation allowances on a quarterly basis.

GAAP requires financial statement reporting of the expected future tax consequences of uncertain tax return reporting positions on the presumption that all relevant tax authorities possess full knowledge of those tax reporting positions, as well as all of the pertinent facts and circumstances, but it prohibits discounting of any of the related tax effects for the time value of money. The evaluation of a tax position is a two-step process. The first step is the recognition process to determine if it is more likely than not that a tax position will be sustained upon examination by the appropriate taxing authority, based on the technical merits of the position. The second step is a measurement process whereby a tax position that meets the more likely than not recognition threshold is calculated to determine the amount of benefit/expense to recognize in the financial statements. The tax position is measured at the largest amount of benefit/expense that is more likely than not of being realized upon ultimate settlement.

A reconciliation of the beginning and ending balances of unrecognized tax benefit is as follows:

	Year Ended September 30,	
	2024	2023
Balance at beginning of period	\$ 22,347	\$ 21,746
Additions for positions of prior years	1,655	819
Reduction resulting from the lapse of the applicable statutes of limitations	(7,121)	(218)
Balance at end of period	\$ 16,881	\$ 22,347

As of September 30, 2024 and 2023, \$16,881 and \$22,347, respectively, of unrecognized tax benefits would result in a decrease in the provision for income tax expense. We anticipate that approximately \$10,792 in liabilities for unrecognized tax benefits, including accrued interest, primarily from net operating losses on which no tax benefit has been recognized, may be reversed in the next twelve months. The reversal is predominantly due to the expiration of the statutes of limitation for unrecognized tax benefits.

We had approximately \$1,452 and \$697 accrued for the payment of interest and penalties at September 30, 2024 and 2023, respectively. We recognize interest and penalties related to unrecognized tax benefits as part of the provision for income taxes.

The tax years ended September 30, 2021, and forward are subject to federal audit as are tax years prior to September 30, 2021, to the extent of unutilized net operating losses generated in those years. The tax years ended September 30, 2020, and forward are subject to state audits as are tax years prior to September 30, 2020, to the extent of unutilized net operating losses generated in those years.

11. OPERATING SEGMENTS

We manage and measure performance of our business in four distinct operating segments: Communications, Residential, Infrastructure Solutions and Commercial & Industrial. These segments are reflective of how the Company's CODM reviews operating results for the purposes of allocating resources and assessing performance. The Company's CODM is its Chief Executive Officer.

Transactions between segments, if any, are eliminated in consolidation. Our corporate office provides general and administrative services, as well as support services, to our four operating segments. Management allocates certain shared costs among segments for selling, general and administrative expenses and depreciation expense.

Segment information for the years ended September 30, 2024, 2023 and 2022 is as follows:

	Year Ended September 30, 2024					
	Communications	Residential	Infrastructure Solutions	Commercial & Industrial	Corporate	Total
Revenues	\$ 776,474	\$ 1,388,840	\$ 351,096	\$ 367,948	\$ —	\$ 2,884,358
Cost of services	623,844	1,024,440	245,743	293,741	—	2,187,768
Gross profit	152,630	364,400	105,353	74,207	—	696,590
Selling, general and administrative	65,752	228,371	37,394	32,925	32,242	396,684
Contingent consideration	—	36	678	—	—	714
Gain on sale of assets	(18)	(1,354)	(184)	(114)	(14)	(1,684)
Income (loss) from operations	\$ 86,896	\$ 137,347	\$ 67,465	\$ 41,396	\$ (32,228)	\$ 300,876
Other data:						
Depreciation and amortization expense	\$ 3,627	\$ 20,752	\$ 9,783	\$ 2,028	\$ 913	\$ 37,103
Capital expenditures	\$ 13,493	\$ 15,620	\$ 8,916	\$ 5,205	\$ 1,925	\$ 45,159
Total assets	\$ 285,478	\$ 395,682	\$ 288,765	\$ 89,023	\$ 185,078	\$ 1,244,026

	Year Ended September 30, 2023					
	Communications	Residential	Infrastructure Solutions	Commercial & Industrial	Corporate	Total
Revenues	\$ 600,776	\$ 1,279,504	\$ 217,353	\$ 279,594	\$ —	\$ 2,377,227
Cost of services	494,964	1,026,524	162,905	248,295	—	1,932,688
Gross profit	105,812	252,980	54,448	31,299	—	444,539
Selling, general and administrative	54,344	169,737	26,260	25,225	23,059	298,625
Contingent consideration	—	277	—	—	—	277
Loss (gain) on sale of assets	12	69	(1,029)	(13,198)	7	(14,139)
Income (loss) from operations	\$ 51,456	\$ 82,897	\$ 29,217	\$ 19,272	\$ (23,066)	\$ 159,776
Other data:						
Depreciation and amortization expense	\$ 2,215	\$ 19,281	\$ 5,198	\$ 1,640	\$ 1,073	\$ 29,407
Capital expenditures	\$ 2,203	\$ 9,114	\$ 2,767	\$ 2,525	\$ 1,058	\$ 17,667
Total assets	\$ 205,924	\$ 386,829	\$ 180,871	\$ 87,677	\$ 120,299	\$ 981,600

	Year Ended September 30, 2022					
	Communications	Residential	Infrastructure Solutions	Commercial & Industrial	Corporate	Total
Revenues	\$ 559,777	\$ 1,131,414	\$ 167,113	\$ 308,504	\$ —	\$ 2,166,808
Cost of services	490,959	928,161	138,444	290,314	—	1,847,878
Gross profit	68,818	203,253	28,669	18,190	—	318,930
Selling, general and administrative	46,717	144,100	25,129	30,557	16,211	262,714
Contingent consideration	—	277	—	—	—	277
Loss (gain) on sale of assets	12	20	(46)	(55)	—	(69)
Income (loss) from operations	\$ 22,089	\$ 58,856	\$ 3,586	\$ (12,312)	\$ (16,211)	\$ 56,008
Other data:						
Depreciation and amortization expense	\$ 1,550	\$ 15,617	\$ 5,575	\$ 2,561	\$ 165	\$ 25,468
Capital expenditures	\$ 2,004	\$ 10,054	\$ 14,729	\$ 1,890	\$ 578	\$ 29,255
Total assets	\$ 210,875	\$ 394,757	\$ 161,828	\$ 114,529	\$ 52,720	\$ 934,709

12. STOCKHOLDERS' EQUITY

Equity Incentive Plan

The Company's 2006 Equity Incentive Plan, as amended and restated (the "Equity Incentive Plan"), provides for grants of stock options as well as grants of stock, including restricted stock. Approximately 3.0 million shares of common stock are authorized for issuance under the Equity Incentive Plan, of which approximately 581,169 shares were available for issuance at September 30, 2024.

We measure and record compensation expense for all share-based payment awards based on the fair value of the awards granted at the date of grant. The fair value of restricted stock awards and phantom stock unit awards is determined based on the number of shares granted and the closing price of IES's common stock on the date of grant. For awards vesting upon achievement of a market condition, the likelihood of achieving that market condition is considered in determining the fair value of the grant, which we expense ratably over the vesting period. For awards vesting upon achievement of a performance condition, we record expense based on the grant date fair value when it becomes probable the performance condition will be achieved. Forfeitures are recorded in the period in which they occur. The resulting compensation expense is recognized on a straight-line basis over the requisite service period, which is generally the vesting period.

Stock Repurchase Program

In 2015, our Board authorized a stock repurchase program for the purchase from time to time of up to 1.5 million shares of the Company's common stock, and in 2019, our Board authorized the repurchase from time to time of an additional 1.0 million shares of the Company's common stock under the stock repurchase program. In December 2022, our Board of Directors terminated our previous stock repurchase program and authorized a new \$40,000 stock repurchase program. On July 31, 2024, the Board authorized a new \$200,000 stock repurchase program after the \$40,000 stock repurchase program was fully utilized. Share purchases are made for cash.

in open market transactions at prevailing market prices or in privately negotiated transactions or otherwise. The timing and amount of purchases under the program are determined based upon prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. All or part of the repurchases may be implemented under a Rule 10b5-1 trading plan, which allows repurchases under predetermined terms at times when the Company might otherwise be prevented from purchasing under insider trading laws or because of self-imposed blackout periods. The program does not require the Company to purchase any specific number of shares and may be modified, suspended or reinstated at any time at the Company's discretion and without notice.

We repurchased 289,284 and 224,013 shares of our common stock in open market transactions at an average price of \$136.34 and \$31.06 per share during the years ended September 30, 2024 and 2023, respectively.

Treasury Stock

During the year ended September 30, 2024, we issued 104,600 shares of treasury stock to employees and repurchased 40,308 shares of common stock from our employees to satisfy statutory tax withholding requirements upon the vesting of certain performance phantom stock units under the Equity Incentive Plan. We also repurchased 289,284 shares of common stock on the open market pursuant to our stock repurchase program. During the year ended September 30, 2024, we issued 2,500 shares of treasury stock to satisfy the exercise of outstanding options, of which 56 shares were repurchased to pay the exercise price of options. We had no outstanding unexercised stock options remaining as of September 30, 2024.

During the year ended September 30, 2023, we issued 105,755 shares of treasury stock to employees and repurchased 32,158 shares of common stock from our employees to satisfy statutory tax withholding requirements upon the vesting of certain performance phantom stock units under the Equity Incentive Plan. We also repurchased 224,013 shares of common stock on the open market pursuant to our stock repurchase program, and 266 shares of restricted stock awards were forfeited by former employees and returned to treasury stock. During the year ended September 30, 2023, we issued 3,000 unrestricted shares to satisfy the exercise of outstanding options.

Restricted Stock

We did not have any unvested restricted stock awards outstanding or related activity during the year ended September 30, 2024. A summary of restricted stock awards for the years ended September 30, 2023 and 2022 is provided in the table below:

	Year Ended September 30,	
	2023	2022
Unvested at beginning of year	13,639	16,757
Granted	—	—
Vested	(13,373)	(3,118)
Forfeited	(266)	—
Unvested at end of year	—	13,639

The fair value of shares vesting during the years ended September 30, 2023 and 2022 was \$461 and \$150, respectively. Fair value was calculated as the number of shares vested times the market price of shares on the date of vesting.

All the restricted shares granted under the Equity Incentive Plan (vested or unvested) participate in dividends issued to common shareholders, if any.

Director Phantom Stock Units

Director phantom stock units ("Director PSUs") are primarily granted to the members of the Board of Directors as part of their overall compensation. These Director PSUs are contractual rights to receive one share of the Company's common stock and are paid via unrestricted stock grants to each director upon their departure from the Board of Directors. We record compensation expense for the full value of the grant on the date of grant.

Employee Phantom Stock Units

An employee phantom stock unit (an "Employee PSU") is a contractual right to receive one share of the Company's common stock. Depending on the terms of each grant, Employee PSUs may vest upon the achievement of certain specified performance objectives and continued performance of services, or may vest based on continued performance of services through the vesting date.

The vesting of these awards is subject to either the achievement of specified levels of cumulative net income before taxes (a performance condition) or specified stock price levels (a market condition) and continued performance of services, or based on continued performance of services through the vesting date alone. For stock awards where vesting depends on achievement of a performance condition, we record expense when we conclude it is probable that the performance condition will be met. At September 30, 2024, it is deemed probable that the portion of the awards that vest based on performance conditions will vest.

A summary of Employee PSU activity for the year ended September 30, 2024, which are subject to the achievement of certain performance metrics, is provided in the table below:

Unvested at September 30, 2023	325,813
Granted	86,563
Vested	(99,579)
Forfeited	(12,496)
Unvested at September 30, 2024	<u>300,301</u>

A summary of the compensation expense related to our stock awards recognized during the years ended September 30, 2024, 2023 and 2022 is provided in the table below:

	Year Ended September 30,		
	2024	2023	2022
Restricted stock awards	\$ —	\$ 23	\$ 137
Director PSUs	\$ 495	\$ 386	\$ 386
Employee PSUs	\$ 5,037	\$ 3,963	\$ 3,251

13. RELATED-PARTY TRANSACTIONS

The Company is a party to a sublease agreement with Tontine Associates, for corporate office space in Greenwich, Connecticut. In December 2022, the Company entered into an amendment of the sublease agreement, which was set to terminate on February 28, 2023, to extend the term of the agreement through August 31, 2024 and to increase the monthly payments from approximately \$8 to approximately \$9 effective March 1, 2023. On August 1, 2024, the Company entered into an amendment of the sublease agreement to extend the term of the agreement through September 30, 2025, effective September 1, 2024. Payments by the Company are at a rate consistent with that paid by Tontine Associates to its landlord. See Note 3, "Controlling Shareholder" for additional information regarding Tontine.

14. EMPLOYEE BENEFIT PLANS

401(k) Plan

In November 1998, we established the IES Holdings, Inc. 401(k) Retirement Savings Plan. All full-time IES employees are eligible to participate on the first day of the month subsequent to completing sixty days of service and attaining age twenty-one. Participants become vested in our matching contributions following three years of service. We also maintain several subsidiary retirement savings plans. We recognized \$6,163, \$5,309, and \$4,494 in matching expenses in fiscal years 2024, 2023 and 2022, respectively.

Executive Savings Plan

Under the Executive Deferred Compensation Plan adopted on July 1, 2004 (the "Executive Savings Plan"), certain employees are permitted to defer a portion (up to 75%) of their base salary and/or bonus for a plan year. The Human Resources and Compensation Committee of the Board of Directors may, in its sole discretion, credit one or more participants with an employer deferral (contribution) in such amount as the Committee may choose ("Employer Contribution"). The Employer Contribution, if any, may be a fixed dollar amount, a fixed percentage of the participant's compensation, base salary, or bonus, or a "matching" amount with respect to all or part of the participant's elective deferrals for such plan year, and/or any combination of the foregoing as the Committee may choose. No compensation earned during the years ended September 30, 2024, 2023 and 2022 was deferred under this plan.

Multiemployer Pension Plan

The Infrastructure Solutions segment participates in a multiemployer direct benefit pension plan for employees covered under one of our collective bargaining agreements. We do not administer the plan. We do not significantly participate in this plan. As of December 31, 2023, this plan was funded at 92.57%.

15. FAIR VALUE MEASUREMENTS

Fair value is considered the price to sell an asset, or transfer a liability, between market participants on the measurement date. Fair value measurements assume that (1) the asset or liability is exchanged in an orderly manner, (2) the exchange is in the principal market for that asset or liability, and (3) the market participants are independent, knowledgeable, able and willing to transact an exchange. Fair value accounting and reporting establishes a framework for measuring fair value by creating a hierarchy for observable independent market inputs and unobservable market assumptions and expands disclosures about fair value measurements. Judgment is required to interpret the market data used to develop fair value estimates. As such, the estimates presented herein are not necessarily indicative of the amounts that could be realized in a current exchange. The use of different market assumptions and/or estimation methods could have a material effect on the estimated fair value.

At September 30, 2024, financial assets and liabilities measured at fair value on a recurring basis were limited to investments in equity securities and debt securities classified as trading securities, our Executive Savings Plan, under which certain employees are permitted to defer a portion of their base salary and/or bonus for a Plan Year (as defined in the plan), and contingent consideration liabilities related to certain of our acquisitions.

Financial assets (liabilities) measured at fair value on a recurring basis as of September 30, 2024 and 2023, are summarized in the following tables by the type of inputs applicable to the fair value measurements:

	September 30, 2024		
	Total Fair Value	Quoted Prices (Level 1)	Significant Unobservable (Level 3)
Equity securities	\$ 31,639	\$ 31,639	\$ —
Debt securities classified as trading securities	3,364	3,364	—
Executive savings plan assets	986	986	—
Executive savings plan liabilities	(852)	(852)	—
Contingent consideration liability	(3,468)	—	(3,468)
Total	\$ 31,669	\$ 35,137	\$ (3,468)

	September 30, 2023		
	Total Fair Value	Quoted Prices (Level 1)	Significant Unobservable (Level 3)
Executive savings plan assets	\$ 783	\$ 783	\$ —
Executive savings plan liabilities	(657)	(657)	—
Contingent consideration liability	(4,465)	—	(4,465)
Total	\$ (4,339)	\$ 126	\$ (4,465)

Investments in equity securities and debt securities, all of which are classified as trading securities and mature after one year and before five years at September 30, 2024, were included in "Marketable securities" in our Consolidated Balance Sheets. Gains and losses to measure our investments in equity and debt securities at fair value were included in Other (income) expense, net in our Consolidated Statements of Comprehensive Income. Our unrealized net gains (losses), which are calculated as total net gains (losses) recognized during the period less net gains (losses) recognized on securities sold during the period, were as follows:

	Year Ended September 30,		
	2024	2023	2022
Unrealized gain on equity securities	\$ 1,492	\$ —	\$ —
Unrealized gain on debt securities	297	—	—
Total unrealized gain on trading securities	\$ 1,789	\$ —	\$ —

On April 1, 2024, we entered into a contingent consideration arrangement valued at \$2,790 in connection with the acquisition of Greiner Industries, Inc. For more information, refer to Note 19, "Business Combinations and Divestitures." The contingent consideration obligation related to Bayonet, which was acquired in fiscal year 2021, was settled in cash for \$4,500 in December 2023. Net adjustments to fair value of such liabilities were included in Contingent consideration in our Consolidated Statements of Comprehensive Income. The table below presents the fair value of this obligation, which used significant unobservable inputs (Level 3).

	Contingent Consideration Agreement
Fair value at September 30, 2022	\$ (4,323)
Net adjustments to fair value	(142)
Fair value at September 30, 2023	\$ (4,465)
Acquisitions	(2,790)
Net adjustments to fair value	(713)
Settlements	4,500
Fair value at September 30, 2024	\$ (3,468)

Below is a description of the inputs used to value the assets summarized in the preceding tables:

Level 1 — Inputs represent unadjusted quoted prices for identical assets exchanged in active markets.

Level 2 — Inputs include directly or indirectly observable inputs other than Level 1 inputs such as quoted prices for similar assets exchanged in active or inactive markets; quoted prices for identical assets exchanged in inactive markets; and other inputs that are considered in fair value determinations of the assets.

Level 3 — Inputs include unobservable inputs used in the measurement of assets. Management is required to use its own assumptions regarding unobservable inputs because there is little, if any, market activity in the assets or related observable inputs that can be corroborated at the measurement date.

16. INVENTORY

Inventories consist of the following components:

	September 30,	
	2024	2023
Raw materials	\$ 14,078	\$ 14,334
Work in process	12,494	12,939
Finished goods	4,389	3,399
Parts and supplies	70,767	64,983
Total inventories	\$ 101,728	\$ 95,655

17. GOODWILL AND INTANGIBLE ASSETS

Goodwill

The following summarizes changes in the carrying value of goodwill by segment during the year ended September 30, 2024. The carrying value of goodwill was unchanged during the year ended September 30, 2023.

	Communications	Residential	Infrastructure Solutions	Commercial & Industrial	Total
Balance at September 30, 2023	2,816	51,370	38,209	—	92,395
Acquisitions (Note 19)	—	—	1,565	—	1,565
Balance at September 30, 2024	\$ 2,816	\$ 51,370	\$ 39,774	\$ —	\$ 93,960

Based on the results of our annual goodwill impairment assessment at September 30, 2024, we concluded the fair value of each of our reporting units exceeded its book value, and therefore we recorded no impairment charges for the year ended September 30, 2024.

As of September 30, 2024 and 2023, we had accumulated impairment losses of \$6,976 related to our Commercial & Industrial segment.

Intangible Assets

Intangible assets consist of the following:

	Estimated Useful Lives (in Years)	September 30, 2024		
		Gross Carrying Amount	Accumulated Amortization	Net
Trademarks/trade names	5 - 20	\$ 13,821	\$ (6,964)	\$ 6,857
Technical library	20	400	(221)	179
Customer relationships	1 - 15	92,796	(54,478)	38,318
Backlog and construction contracts	1 - 2	750	(214)	536
Total		\$ 107,767	\$ (61,877)	\$ 45,890

	Estimated Useful Lives (in Years)	September 30, 2023		
		Gross Carrying Amount	Accumulated Amortization	Net
Trademarks/trade names	5 - 20	\$ 14,621	\$ (6,973)	\$ 7,648
Technical library	20	400	(201)	199
Customer relationships	6 - 15	91,426	(43,065)	48,361
Non-competition arrangements	5	40	(40)	—
Backlog and construction contracts	1	4,958	(4,958)	—
Total		\$ 111,445	\$ (55,237)	\$ 56,208

For the years ended September 30, 2024, 2023 and 2022, amortization expense of intangible assets was \$13,200, \$13,684 and \$13,666, respectively. Our estimated future amortization expense for years ending September 30 is as follows:

Year Ending September 30,	
2025	\$ 13,284
2026	11,942
2027	8,466
2028	5,491
2029	2,823
Thereafter	3,884
Total	\$ 45,890

18. COMMITMENTS AND CONTINGENCIES

Legal Matters

From time to time we are a party to various claims, lawsuits and other legal proceedings that arise in the ordinary course of business. We maintain various insurance coverages to minimize financial risk associated with these proceedings. None of these proceedings, separately or in the aggregate, are expected to have a material adverse effect on our financial position, results of operations or cash flows. With respect to all such proceedings, we record reserves when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. We expense routine legal costs related to these proceedings as they are incurred.

In the course of performing work as a subcontractor, from time to time we may be involved in projects which are the subject of contractual disputes between the general contractor and project owner, or between us and the general contractor. In such cases,

payment of amounts owed to us by the general contractor may be delayed as contractual disputes are resolved through mediation, arbitration, or litigation. Such disputes may cause us to incur legal fees and other expenses to enforce our contractual rights, and we may not prevail in recovering all amounts to which we believe we are contractually entitled.

Risk Management

We retain the risk for workers' compensation, employer's liability, automobile liability, construction defects, general liability and employee group health claims, as well as pollution coverage, resulting from uninsured deductibles per accident or occurrence which are generally subject to annual aggregate limits. Our general liability program provides coverage for bodily injury and property damage. In many cases, we insure third parties, including general contractors, as additional insured parties under our insurance policies. Losses are accrued based upon our known claims incurred and an estimate of claims incurred but not reported. As a result, many of our claims are effectively self-insured. Many claims against our insurance are in the form of litigation. At September 30, 2024 and 2023, we had \$11,158 and \$7,726, respectively, accrued for self-insurance liabilities. We are also subject to construction defect liabilities, primarily within our Residential segment. Because these accruals are based on judgment and estimates, and involve variables that are inherently uncertain, such as the outcome of litigation and an assessment of insurance coverage, there can be no assurance that the ultimate liability will not be higher or lower than such estimates.

Some of the underwriters of our casualty insurance program require us to post letters of credit as collateral. This is common in the insurance industry. To date, we have not had a situation where an underwriter has had reasonable cause to effect payment under a letter of credit. At September 30, 2024 and 2023, we utilized \$4,756 and \$4,166, respectively, of our outstanding letters of credit to collateralize our insurance program.

Surety

As of September 30, 2024, the estimated cost to complete our bonded projects was approximately \$133,863. We evaluate our bonding requirements on a regular basis, including the terms offered by our sureties. We believe the bonding capacity presently provided by our current sureties is adequate for our current operations and will be adequate for our operations for the foreseeable future. Posting letters of credit in favor of our sureties reduces the borrowing availability under our revolving credit facility.

Other Commitments and Contingencies

Some of our customers and vendors require us to post letters of credit, or provide intercompany guarantees, as a means of guaranteeing performance under our contracts and ensuring payment by us to subcontractors and vendors. If our customer has reasonable cause to effect payment under a letter of credit, we would be required to reimburse our creditor for the letter of credit.

From time to time, we may enter into firm purchase commitments for materials, such as copper or aluminum wire, which we expect to use in the ordinary course of business. These commitments are typically for terms of less than one year and require us to buy minimum quantities of materials at specific intervals at a fixed price over the term. As of September 30, 2024, we did not have any such firm commitments to purchase materials.

19. BUSINESS COMBINATIONS AND DIVESTITURES

Business combinations

On April 1, 2024, the Company acquired 100% of the equity interests of Greiner Industries, Inc. ("Greiner"), a Mount Joy, Pennsylvania-based structural steel fabrication and services company for an aggregate total purchase price of \$70,334. Greiner is part of our Infrastructure Solutions segment and continues to operate under the Greiner name. The acquisition of Greiner expands our geographic footprint, adds custom structural steel fabrication to our product offerings, and provides additional capacity for our existing custom engineered product offerings. In addition to cash consideration, net of cash acquired, of \$67,544, the aggregate purchase price also includes contingent consideration of up to \$5,000 upon achievement of certain future earnings targets, which was valued at \$2,790 as of the date of the acquisition. The fair value of the total consideration for this transaction remains subject to post-closing adjustments as of the date of this Annual Report on Form 10-K.

The Company accounted for the transaction under the acquisition method of accounting, which requires recording assets and liabilities at fair value (Level 3). The total purchase price, and the allocation thereof to the assets acquired and liabilities assumed, is preliminary and subject to change pending the finalization of post-closing working capital adjustments. The preliminary valuation of the assets acquired and liabilities assumed is as follows:

Trade receivables	\$	13,971
Other current assets		10,115
Property and equipment		48,209
Intangible assets		2,900
Goodwill		1,565
Current liabilities		(6,426)
Net assets acquired	\$	<u>70,334</u>

In connection with this acquisition, we acquired goodwill of \$1,565, all of which is tax deductible, attributable to an assembled workforce and other intangibles that do not qualify for separate recognition. The intangible assets acquired primarily consisted of customer relationships, backlog and trade name with a total weighted-average amortization period of 3.5 years.

Greiner contributed \$34,038 in revenue and \$2,489 in operating income during the year ended September 30, 2024.

We completed no acquisitions in fiscal years 2023 and 2022.

Divestitures

On October 7, 2022, we sold 100% of the membership interests of STR Mechanical, LLC and its subsidiary Technical Services II, LLC (collectively, "STR"). As a result, we recognized a pre-tax gain of \$13,045, which was included in "Gain on sale of assets" within our Consolidated Statements of Comprehensive Income for the year ended September 30, 2023. The disposition of STR, which had operated as part of our Commercial & Industrial segment, will not have a material impact on our ongoing results of operations or financial position.

20. SUBSEQUENT EVENTS

On October 4, 2024, we entered into a funding commitment to join a consortium led by Mason Capital Management LLC to acquire the CB&I storage solutions business, a designer and builder of storage facilities, tanks and terminals for energy and industrial markets, from McDermott International, Ltd. Upon close of the transaction, which we expect to occur by the end of calendar year 2024, we expect to make a cash payment of approximately \$45 million, subject to customary closing adjustments.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Changes in Internal Control Over Financial Reporting

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15 and 15d-15 under the Exchange Act) during the fiscal quarter ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Disclosure Controls and Procedures

In accordance with Rules 13a-15 and 15d-15 under the Exchange Act, we carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2024, to provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Our disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

Management, including the Company's Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. The Company's internal control system was designed to provide reasonable assurance to the Company's Management and Directors regarding the preparation and fair presentation of published financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management conducted an evaluation of the effectiveness of internal control over financial reporting based on the Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013 framework). Based on this assessment, our management determined that our disclosure controls and procedures were effective as of September 30, 2024.

In conducting management's evaluation of the effectiveness of the Company's internal controls over financial reporting, we have excluded Greiner Industries, Inc. because it was acquired during the year ended September 30, 2024. Greiner's operations accounted for 6% and 12% of our total and net assets, respectively, at September 30, 2024, and 1% of both our consolidated revenues and our net income for the year then ended.

Ernst & Young LLP (PCAOB No. 42), an independent registered public accounting firm that has audited the Company's financial statements as of and for the three-year period ended September 30, 2024, has issued a report on their audit of management's internal control over financial reporting, which is included herein.

Item 9B. Other Information

Rule 10b5-1 Trading Arrangements

From time to time, members of the Company's Board of Directors and officers of the Company may enter into Rule 10b5-1 trading plans, which allow for the purchase or sale of common stock under pre-established terms at times when directors and officers might otherwise be prevented from trading under insider trading laws or because of self-imposed blackout periods. Such trading plans are intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act and comply with the Company's Insider Trading Policy. During the three months ended September 30, 2024, none of the Company's directors or officers adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required to be included in Item 10 of Part III of this Annual Report on Form 10-K is incorporated by reference from the section entitled "Executive Officers of the Registrant" in Part I of this Annual Report on Form 10-K and the sections entitled "Security Ownership of Certain Beneficial Owners and Management," "Report of the Audit Committee" and "Election of Directors" in the Company's definitive Proxy Statement for its 2025 Annual Meeting of Stockholders (the "Proxy Statement") to be filed with the SEC no later than January 28, 2025.

Item 11. Executive Compensation

The information required to be included in Item 11 of Part III of this Annual Report on Form 10-K is incorporated by reference from the section entitled "Executive Compensation" in the Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholders Matters

Certain information required to be included in Item 12 of Part III of this Annual Report on Form 10-K is incorporated by reference from the section entitled "Security Ownership of Certain Beneficial Owners and Management" in the Proxy Statement.

Securities Authorized for Issuance Under Equity Plans

The following table provides information as of September 30, 2024 with respect to shares of our common stock that may be issued upon the exercise of options, warrants and rights granted to employees, consultants or members of the Board of Directors under the Company's existing equity compensation plans. For additional information about our equity compensation plans, see Note 12, "Stockholders' Equity" in the notes to our Consolidated Financial Statements.

Equity Compensation Plan Information

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by security holders	300,301	\$ —	581,169 ⁽¹⁾
Equity compensation plans not approved by security holders ⁽²⁾	—	\$ —	—

(1) Represents shares available for issuance under the Company's 2006 Equity Incentive Plan, as amended and restated effective February 9, 2016 (the "Amended Plan"). This plan provides for the granting or awarding of stock options, stock, restricted stock and other forms of equity to employees (including officers), consultants and directors of the Company. This includes 300,301 shares that may be issued pursuant to outstanding performance based phantom stock units ("PPSUs") based on achievement of performance metrics, where applicable, and otherwise assuming the target award is met.

(2) Represents shares issuable upon exercise of outstanding options granted under the Company's 2006 Equity Incentive Plan (as amended and restated as of October 2007), which was in place prior to the Amended Plan. As of September 30, 2024, there were no outstanding options remaining to be exercised.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required to be included in Item 13 of Part III of this Annual Report on Form 10-K is incorporated by reference from the section entitled "Certain Relationships and Related Person Transactions" in the Proxy Statement.

Item 14. Principal Accountant Fees and Services

The information required to be included in Item 14 of Part III of this Form 10-K is incorporated by reference from the section entitled "Audit Fees" in the Proxy Statement.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) Financial Statements and Supplementary Data, Financial Statement Schedules and Exhibits

1. Financial Statements: See Index to Financial Statements under Item 8. "Financial Statements and Supplementary Data" of this Form 10-K.
2. Financial Schedules: Schedules are omitted because they are not required, not significant, not applicable or the information is shown in the Consolidated Financial Statements.

(b) Exhibits

Exhibit No.	Description
3.1	Second Amended and Restated Certificate of Incorporation of IES Holdings, Inc., as amended by the Certificate of Amendment thereto, effective May 24, 2016 (composite). (Incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q filed August 8, 2016)
3.2	Certificate of Designations of Series A Junior Participating Preferred Stock (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed January 28, 2013)
3.3	Certificate of Elimination of Series A Junior Participating Preferred Stock of IES Holdings, Inc., as filed with the Secretary of State of the State of Delaware on May 24, 2021 (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 24, 2021)
3.4	Amended and Restated Bylaws of IES Holdings, Inc., effective April 28, 2021 (Incorporated by reference to Exhibit 3.3 to the Company's Current Report on Form 8-K filed on April 30, 2021)
4.1	Specimen common stock certificate. (Incorporated by reference to Exhibit 4.1 to the Company's Annual Report on Form 10-K filed December 9, 2016)
4.2	Registration Rights Agreement, dated May 12, 2006, by and among Integrated Electrical Services, Inc. (n/k/a IES Holdings, Inc.), Tontine Capital Partners, L.P. and certain of its affiliates and Southpoint Master Fund, L.P. (Incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed May 17, 2006)
4.3	First Amendment to Registration Rights Agreement, dated September 11, 2007, by and among Integrated Electrical Services, Inc. (n/k/a IES Holdings, Inc.), Tontine Capital Partners, L.P. and certain of its affiliates (Incorporated by reference to Exhibit 10.24 to the Company's Annual Report on Form 10-K filed December 14, 2012)
4.4	Description of Registrant's Securities (Incorporated by reference to Exhibit 4.4 to the Company's Current Report on Form 10-K filed on December 7, 2023).
10.1	Agreement of Indemnity, dated May 7, 2010, by Integrated Electrical Services, Inc. (n/k/a IES Holdings, Inc.) and certain of its present and future subsidiaries and affiliates and Chartis Property Casualty Company, Chartis Insurance Company of Canada, American Home Assurance Company, Commerce and Industry Insurance Company, Granite State Insurance Company, Lexington Insurance Company, National Union Fire Insurance Company of Pittsburgh, Pa., New Hampshire Insurance Company and The Insurance Company of the State of Pennsylvania and any and all of their affiliates, subsidiaries, successors and assigns. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed May 13, 2010)
10.2	Amendment No. 1 to Agreement of Indemnity, dated August 16, 2012, between Integrated Electrical Services, Inc. (n/k/a IES Holdings, Inc.) and certain of its present and future subsidiaries and affiliates and Chartis Property Casualty Company, Chartis Insurance Company of Canada, American Home Assurance Company, Commerce and Industry Insurance Company, Granite State Insurance Company, Lexington Insurance Company, National Union Fire Insurance Company of Pittsburgh, Pa., New Hampshire Insurance Company and The Insurance Company of the State of Pennsylvania, and any and all of their affiliates, subsidiaries, successors and assigns (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed August 17, 2012)
10.3	Agreement of Indemnity, September 9, 2016, by IES Holdings, Inc. and certain of its present and future subsidiaries and affiliates and Everest Reinsurance Company and Everest National Insurance Company, and their affiliated, associated and subsidiary companies, successors and assigns. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed September 13, 2016)
10.4	General Agreement of Indemnity, July 14, 2017, by IES Holdings, Inc. and certain of its present and future subsidiaries and affiliates and Travelers Casualty and Surety Company of America, St. Paul Fire and Marine Insurance Company, and their affiliated, associated and subsidiary companies, successors and assigns. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed July 14, 2017)
10.5	Agreement of Indemnity, dated August 17, 2020, by IES Holdings, Inc. and certain of its current and future subsidiaries and affiliates and United States Fire Insurance Company and its affiliated, associated and subsidiary companies, successors and assigns (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed August 20, 2020)

- 10.6 — [Third Amended and Restated Credit and Security Agreement, dated April 28, 2022 by and among IES Holdings, Inc., each of the other Borrowers and Guarantors named therein and Wells Fargo Bank, National Association, as Administrative Agent. \(Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on April 29, 2022\).](#)
- 10.7 — [Amendment No. 1 to Third Amended Restated Credit and Security Agreement, dated April 28, 2022 by and among IES Holdings, Inc., each of the other Borrowers and Guarantors named therein, Wells Fargo Bank, National Association, as Administrative Agent, and Fifth Third Bank, National Association \(Incorporated by reference to Exhibit 10.7 to the Company's Annual Report on Form 10-K filed December 6, 2022\)](#)
- 10.8 — [Sublease Agreement between Tontine Associates, L.L.C. and IES Shared Services, Inc., dated March 29, 2012 \(Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed May 15, 2012\)](#)
- 10.9 — [First Amendment between Tontine Associates, L.L.C., IES Shared Services, Inc. and IES Management ROO, LP, dated as of March 31, 2016, to Sublease Agreement between Tontine Associates, L.L.C., and IES Shared Services, Inc., dated March 29, 2012. \(Incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed May 9, 2016\)](#)
- ⁽¹⁾10.10 — [Fifth Amendment, dated as of August 1, 2024, to Sublease Agreement, dated as of March 29, 2012 and amended as of March 31, 2016, May 1, 2019, November 5, 2019 and December 15, 2022, between Tontine Associates, L.L.C. and IES Management ROO, LP.](#)
- 10.11 — [Board Observer Letter Agreement between Tontine Associates, L.L.C. and IES Holdings, Inc., dated December 6, 2018 \(Incorporated by reference to Exhibit 10.17 to the Company's Annual Report on Form 10-K filed December 7, 2018\)](#)
- *10.12 — [Term Life Insurance Plan \(Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed October 17, 2007\)](#)
- *10.13 — [Integrated Electrical Services, Inc. \(n/k/a IES Holdings, Inc.\) 2006 Equity Incentive Plan, as amended and restated through 2007 \(Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed October 17, 2007\)](#)
- *10.14 — [Form of Performance-Based Phantom Stock Unit Award Agreement under the Company's 2006 Equity Incentive Plan, as amended and restated through 2007 \(Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed February 8, 2016\)](#)
- *10.15 — [Integrated Electrical Services, Inc. \(n/k/a IES Holdings, Inc.\) Amended and Restated 2006 Equity Incentive Plan \(as of February 9, 2016\) \(Incorporated by reference to Exhibit A to the Company's Definitive Proxy Statement filed December 28, 2015\)](#)
- *10.16 — [Form of Phantom Stock Unit Award under the Company's Amended and Restated 2006 Equity Incentive Plan \(as of February 9, 2016\) \(Incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed May 9, 2016\)](#)
- *10.17 — [Form of Stock Option Award Agreement under the Company's Amended and Restated 2006 Equity Incentive Plan \(as of February 9, 2016\) \(Incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed May 9, 2016\)](#)
- *10.18 — [Form of Restricted Stock Award Agreement under the Company's Amended and Restated 2006 Equity Incentive Plan \(as of February 9, 2016\) \(Incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed May 9, 2016\)](#)
- *10.19 — [Amended and Restated 2009 Deferred Compensation Plan \(Incorporated by reference to Exhibit 10.33 to the Company's Annual Report on Form 10-K filed December 15, 2008\)](#)
- *10.20 — [Integrated Electrical Services, Inc. \(n/k/a IES Holdings, Inc.\) Long Term Incentive Plan, as amended and restated. \(Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed September 23, 2009\)](#)
- *10.21 — [IES Holdings, Inc. Second Amended and Restated Executive Officer Severance Benefit Plan, effective April 29, 2021 \(Incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed April 30, 2021\)](#)
- *10.22 — [Form of Phantom Stock Unit Award under the Company's Amended and Restated 2006 Equity Incentive Plan \(as of February 9, 2016\), dated February 6, 2019 \(Incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed May 6, 2019\)](#)
- *10.23 — [IES Holdings, Inc. Short-Term Incentive Plan \(Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed March, 5, 2019\)](#)
- *10.24 — [IES Holdings, Inc. Long-Term Incentive Plan Annual Grant Program \(Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed March, 5, 2019\)](#)
- *10.25 — [Form of IES Holdings, Inc. Amended and Restated 2006 Equity Incentive Plan Restricted Stock Award Agreement \(Incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed February 4, 2020\)](#)
- *10.26 — [Form of IES Holdings, Inc. Amended and Restated 2006 Equity Incentive Plan Phantom Stock Unit Award Agreement \(Incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed February 4, 2020\)](#)

- *10.27 — [Form of Cumulative Income Restricted Stock Award Agreement under the Company's 2006 Equity Incentive Plan \(as of February 9, 2016\), dated March 4, 2019 \(Incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed May 6, 2019\)](#)
- *10.28 — [Long-Term Incentive Plan Annual Grant Program \(Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed December 6, 2019\)](#)
- *10.29 — [Compensation Letter between IES Holdings, Inc. and Mr. Jeffrey L. Gendell as Chief Executive Officer \(Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed October 5, 2020\)](#)
- *10.30 — [Phantom Stock Unit Award Agreement dated as of December 3, 2021, by and between the Company and Matthew Simmes \(Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on December 3, 2021\)](#)
- *10.31 — [Phantom Stock Unit Award Agreement dated as of December 1, 2021, by and between the Company and Jeffrey Gendell \(Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on December 3, 2021\)](#)
- *10.32 — [Form of Time-Based Phantom Stock Unit under the Company's Amended and Restated 2006 Equity Incentive Plan, as amended and restated effective February 9, 2016 \(Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 7, 2023\)](#)
- ⁽¹⁾19.1 — [Insider Trading Policy](#)
- ⁽¹⁾21.1 — [Subsidiaries of the Registrant](#)
- ⁽¹⁾23.1 — [Consent of Ernst & Young LLP](#)
- ⁽¹⁾31.1 — [Rule 13a-14\(a\)/15d-14\(a\) Certification of Jeffrey L. Gendell, Chief Executive Officer](#)
- ⁽¹⁾31.2 — [Rule 13a-14\(a\)/15d-14\(a\) Certification of Tracy A. McLauchlin, Chief Financial Officer](#)
- ⁽²⁾32.1 — [Section 1350 Certification of Jeffrey L. Gendell, Chief Executive Officer](#)
- ⁽²⁾32.2 — [Section 1350 Certification of Tracy A. McLauchlin, Chief Financial Officer](#)
- ⁽¹⁾97.1 — [IES Holdings, Inc. Incentive Award Recoupment Policy](#)
- ⁽¹⁾101.INS Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
- ⁽¹⁾101.SCH Inline XBRL Schema Document
- ⁽¹⁾101.LAB Inline XBRL Label Linkbase Document
- ⁽¹⁾101.PRE Inline XBRL Presentation Linkbase Document
- ⁽¹⁾101.DEF Inline XBRL Definition Linkbase Document
- ⁽¹⁾101.CAL Inline XBRL Calculation Linkbase Document
- 104 — Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

* Management contracts or compensatory plans or arrangement.

- (1) Filed herewith.
- (2) Furnished herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on November 22, 2024.

IES HOLDINGS, INC.

By: /s/ Jeffrey L. Gendell
Jeffrey L. Gendell
Chief Executive Officer and Chairman of the Board

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers and directors of IES HOLDINGS, INC. hereby constitutes and appoints Jeffrey L. Gendell and Tracy A. McLauchlin, and each of them individually, as his true and lawful attorneys-in-fact and agents, with full power of substitution, for him and on his behalf and in his name, place and stead, in any and all capacities, to sign, execute and file any or all amendments to this report, with any and all exhibits thereto, and all other documents required to be filed therewith, with the Securities and Exchange Commission or any regulatory authority, granting unto each such attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises in order to effectuate the same, as fully to all intents and purposes as he himself might or could do, if personally present, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or their or his substitutes or substitute, may lawfully do or cause to be done by virtue hereof.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Jeffrey L. Gendell</u> Jeffrey L. Gendell	Chief Executive Officer and Chairman of the Board (Principal Executive Officer)	November 22, 2024
<u>/s/ Tracy A. McLauchlin</u> Tracy A. McLauchlin	Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer) (Principal Accounting Officer)	November 22, 2024
<u>/s/ Todd M. Cleveland</u> Todd M. Cleveland	Director	November 22, 2024
<u>/s/ David B. Gendell</u> David B. Gendell	Director	November 22, 2024
<u>/s/ Joe D. Koshkin</u> Joe D. Koshkin	Director	November 22, 2024
<u>/s/ Jennifer A. Baldock</u> Jennifer A. Baldock	Director	November 22, 2024
<u>/s/ John L. Fouts</u> John L. Fouts	Director	November 22, 2024

FIFTH AMENDMENT TO SUBLEASE AGREEMENT

This Fifth Amendment to Sublease Agreement is entered into as of August 1, 2024 (the "Sublease Amendment"), by and between **TONTINE ASSOCIATES, LLC**, having an office at One Sound Shore Drive, Suite 304, Greenwich, Connecticut 06830 (the "Sublessor"), and **IES MANAGEMENT ROO, LP**, sharing office space with Sublessor (the "Sublessee" and, together with the Sublessor, the "Parties").

RECITALS

WHEREAS, the Sublessor and **IES SHARED SERVICES, INC.** (the "Original Sublessee"), are parties to a Sublease dated March 29, 2012 ("Original Sublease"), for a portion of the premises (the "Subleased Premises") located at One Sound Shore Drive, Suite 304, Greenwich, Connecticut 06830 (the "Lease Premises"), which is leased by Sublessor from Sound Shore Partners LLC pursuant to a Lease Agreement (the "Lease Agreement");

WHEREAS, the Original Sublease expired on March 31, 2016 and (i) was amended by that certain First Amendment to the Original Sublease dated April 1, 2016 between the Sublessor, Original Sublessee and Sublessee (the "First Amendment"), pursuant to which the Original Sublease was novated with respect to the Original Sublessee, and the Sublessee was substituted in place of the Original Sublessee under the Sublease, and the lease term was extended to June 30, 2019, and (ii) was further amended by that certain Second Amendment to the Original Sublease dated May 1, 2019 (the "Second Amendment"), pursuant to which the lease term was further extended to December 31, 2019, and (iii) was further amended by that certain Third Amendment to the Original Sublease dated November 5, 2019 (the "Third Amendment") pursuant to which the lease term was further extended to February 28, 2023 and (iv) was further amended by that certain Fourth Amendment to the Original Sublease dated December 16, 2022 (the "Fourth Amendment" and, together with the Third Amendment, the Second Amendment, the First Amendment and the Original Sublease, the "Sublease"), pursuant to which the lease term was further extended to August 31, 2024;

WHEREAS, Sublessor has renewed its Lease Agreement for the Lease Premises effective March 11, 2024 for a term expiring on December 31, 2026, and

WHEREAS, the Parties desire to amend the Sublease, effective as of September 1, 2024 (the "Effective Date"), as set forth below to extend the term of the Sublease for a period of thirteen (13) months and to reflect the new lease rates therein of the Subleased Premises.

NOW THEREFORE, in consideration for the mutual and reciprocal promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree to amend the Sublease as follows:

All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Sublease.

1. Term. The Term of the Sublease shall be extended for thirteen (13) months so that the Sublease Expiration Date shall be September 30, 2025.

2. Base Rent. As of the Effective Date, the first paragraph of Section 2.1 of the Sublease is hereby deleted and the following is inserted in its place:

(a) Base Rent. As of the Effective Date and continuing thereafter on the first day of each and every calendar month during the term of this Sublease, Sublessee shall pay to Sublessor, as base rent for the Subleased Premises, monthly rent (exclusive of any Additional Rent pursuant to and in accordance with Article 2.2 of the Original Sublease) (the "Base Rent") for each calendar month or portion thereof during the Term of this Sublease as follows:

<u>Period</u>	<u>Annual Base Rent*</u>	<u>Monthly Installment*</u>
from September 1, 2024 through and including the Sublease Expiration Date.	\$103,504.50	\$8,625.37

* See Exhibit B for a reconciliation of these amounts to amounts payable by Sublessor under renewed Lease Agreement.

(b) Additional Rent. Sublessee shall continue to pay the Additional Rent due and owing under the Sublease pursuant to and in accordance with Article 2.2 of the Original Sublease.

3. Sublessor Representations and Warranties.

(a) Sublessor hereby represents and warrants to Sublessee the following:

(i) attached hereto, marked Exhibit A is a true, complete, and correct copy of the Prime Lease;

(ii) the Prime Lease is in full force and effect and has not been amended or modified except as expressly set forth in Exhibit A;

4. This Sublease Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

5. All other terms and conditions of the Sublease shall remain the same and in full force and effect.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, Sublessor and Sublessee have duly executed this Sublease Amendment as of the day and year first above written.

SUBLESSOR:

TONTINE ASSOCIATES, L.L.C., a Delaware limited liability company

By: /s/ JEFFREY L. GENDELL

Name: Jeffrey L. Gendell

Title: Managing Member

SUBLESSEE:

IES MANAGEMENT ROO, L.P., a Texas limited partnership

By: IES OPERATIONS GROUP, INC., its General Partner

By: /s/ TRACY A. MCLAUHLIN

Name: Tracy McLauchlin

Title: President & Treasurer

Exhibit A

Tontine 2024 Prime Lease Renewal

Exhibit B
(to IES Fifth Amendment to Sublease Agreement)

Reconciliation of Amounts Payable by Sublessor Under Lease Renewal and Amounts Payable by Sublessee Under Fifth Amendment to Sublease Agreement

	<u>9/1/24-9/30/25</u>
Aggregate Square Footage	3,690
Sublessee Share of Square Footage	60%
Sublessee Square Footage	2,214
Annual Fixed Rent Payable by Sublessor before Rent Inclusion Factor	\$ 162,360.00
Annual Rent Inclusion Factor	<u>10,147.50</u>
Annual Fixed Rent Payable by Sublessor including Rent Inclusion Factor	\$ 172,507.50
Annual Fixed Rent per Square Foot Payable by Sublessor including Rent Inclusion Factor	\$46.75
Sublessee's % Share of Annual Fixed Rent Payable by Sublessor including Rent Inclusion Factor	60%
Sublessee's Annual Base Rent Payable under Sublease	\$ 103,504.50
Sublessee's Annual Base Rent per Square Foot Payable under Sublease	\$46.75
Monthly Fixed Rent Payable by Sublessor before Rent Inclusion Factor	\$ 13,530.00
Monthly Rent Inclusion Factor	<u>845.62</u>
Monthly Fixed Rent Payable by Sublessor including Rent Inclusion Factor	\$ 14,375.62
Monthly Fixed Rent per Square Foot Payable by Sublessor including Rent Inclusion Factor	\$3.90
Sublessee's % Share of Monthly Fixed Rent Payable by Sublessor including Rent Inclusion Factor	60%
Sublessee's Monthly Base Rent Payable under Sublease	\$ 8,625.37
Sublessee's Monthly Base Rent per Square Foot Payable under Sublease	\$3.90

Note: "Rent Inclusion Factor" is that part of the Fixed Rent payable by Sublessor under Lease Agreement allocable to the provision of electrical energy. In the original Lease Agreement and first three amendments thereto, the Fixed Rent was stated on a basis including the Rent Inclusion Factor. In the fourth and subsequent amendments to the Lease Agreement, the Fixed Rent is stated on a basis before the Rent Inclusion Factor, with the Rent Inclusion Factor identified separately. In the Original Sublease, the First Amendment, the Second Amendment and the Third Amendment, Sublessee's Base Rent is based on a certain percentage of Sublessor's Fixed Rent including the Rent Inclusion Factor. In the Fourth Amendment and this Fifth Amendment to Sublease Agreement, Sublessee's share of the Fixed Rent is stated as a percentage of the Fixed Rent including the Rent Inclusion Factor, consistent with the Original Sublease and prior amendments.

IES HOLDINGS, INC. INSIDER TRADING POLICY

Directors, officers and employees of IES Holdings, Inc. (the "Company") who possess material information about the Company that has not been disclosed publicly ("material non-public information") are subject to legal obligations with respect to their personal use or disclosure of such information. Violations of these obligations can result in criminal prosecution and civil proceedings against both the individual and the Company. The purpose of this Insider Trading Policy is to summarize the laws and regulations applicable to the use and disclosure of material non-public information and to set forth the Company's policies with respect to trading in the Company's securities, including the Company's common stock (the "Company's securities").

This Insider Trading Policy applies to (i) all directors, officers and employees of the Company (including the Company's direct and indirect subsidiaries), (ii) the Company's contractors and consultants who may, as a result of their position with the Company, have access to material non-public information, and (iii) all immediate family members of, persons sharing a household with and entities that are controlled by each of the foregoing.

INSIDER TRADING AND TIPPING

The personal use or disclosure of material non-public information is prohibited by the securities laws and is a violation of this Insider Trading Policy and the Company's Conflict of Interest Policy. **A basic tenet of the securities laws is that persons with material non-public information regarding a company should not take advantage of such information by trading in the company's securities, unless and until such information is made available to other members of the investing public.** Disclosing such information to others, including relatives or friends, a practice known as "tipping," is also prohibited by the securities laws. Until material non-public information is made public, it must be used only for Company business purposes and not for anyone's personal benefit.

DID YOU KNOW

- Sharing material non-public information with a family member or friend could result in criminal prosecution for both you and the person with whom you share the information.
- You may never trade in the securities of another company, such as a customer, supplier or acquisition target, if you are in possession of material non-public information regarding such other company.

PROHIBITED TRANSACTIONS

Any director, officer, employee, contractor or consultant who possesses material non-public information is prohibited from trading in the Company's securities and from tipping such information to others.

In addition, any director, officer, employee, contractor or consultant who, as a result of his or her position with the Company, has access to material non-public information regarding another company, such as a customer or supplier, is prohibited from trading in the securities of such other company and from disclosing such information to others. Particular care should be exercised with respect to third-party information that is learned or developed in the course of a potential acquisition by the Company.

Speculative trading, such as in-and-out trading, is discouraged as a matter of policy. Accordingly, the Company's directors, officers, and employees are prohibited from engaging in short sales (the sale of securities not owned) and sales against the box (the sale of securities owned but not delivered against the sale) of any of the Company's securities. Similarly, the Company's directors, officers, and employees are prohibited from purchasing or selling puts or calls or otherwise trading in or writing options on any of the Company's securities.

TRADING WINDOWS

To promote compliance with the trading prohibitions described above, **it is the Company's policy that (i) all directors and officers of the Company, (ii) any Company employees who hold a controller's position, (iii) any Company employees who work in the Company's headquarters in Houston or Greenwich and (iv) certain other designated employees who shall be notified from time to time by the Company's General Counsel that they are restricted (collectively, the "Restricted Group") may only trade in the Company's securities (including gifts) during designated "open trading windows."**

Open trading windows begin after the second full trading day following the release of the Company's annual or quarterly financial results and end two weeks prior to the end of the quarter (each, an "open window"). Trading windows close two weeks prior to the end of each quarter and remain closed through the end of the second full trading day following the release of the Company's annual or quarterly financial results (each, a "closed window" or "quarterly blackout period").

In addition, from time to time, an event may occur during an open window that is material to the Company that is known by only by the Company's directors and officers and a limited number of employees. So long as the event remains material and non-public, those persons designated by the Company's General Counsel as having access to information regarding the event may not trade in the Company's securities (a "special blackout period"). The existence of a special blackout period will not be announced; instead, the existence of a special blackout period will be made known only to those directors, officers and employees who are aware of the event giving rise to, and are subject to, the special blackout. If you are notified of a special blackout period, then you may not disclose the existence of the special blackout period, or the event giving rise to the special blackout period, to any other person.

TRADING REQUESTS

In addition to only being permitted to trade in the Company's securities during open windows, **members of the Restricted Group ("Insiders") are required to request advance written approval from the Company's General Counsel prior to trading in the Company's securities (a "trading request").** Each trading request should be submitted to the Company's General Counsel at least two business days prior to the date of the proposed transaction.

No trading request shall be approved at any time management believes the Insider requesting the trade may be deemed to be in possession of material non-public information. If the Insider requesting the trade becomes aware of material non-public information regarding the Company before the trade is executed, then the preclearance shall be void and the trade must not be completed.

KNOW THE RULES

- ◆ If you are an Insider, then you may NEVER trade during a quarterly blackout period.
- ◆ If you are an Insider, then you may NEVER trade during a special blackout period.
- ◆ If you are an Insider, then you MUST always receive pre-approval to trade, even during an open window.
- ◆ If you are unsure which rules apply, then contact the Company's General Counsel.

RULE 10b5-1 PLANS

Notwithstanding the foregoing prohibitions and restrictions, **an Insider may be permitted to trade in the Company's securities while in possession of material non-public information or during a closed window, if such trades are made pursuant to a written plan that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) promulgated under the Securities Exchange Act of 1934, as amended (a "Rule 10b5-1 Plan").** To be effective, a Rule 10b5-1 Plan must meet the following requirements:

- The plan **must be entered into during an open window**, while the Insider is not in possession of any material non-public information.
- The plan must either (i) specify (or include a written formula, algorithm or computer program for determining) the amount of Company securities to be purchased or sold, the price at which Company securities are to be traded, and the dates on which trades are to be made or (2) delegate discretion on these matters to an independent third party.
- The plan **must include a required “cooling-off period”** before which trading can commence under the plan.
 - For directors and officers, the minimum cooling-off period shall end on the later of (i) 90 days after the adoption (or modification) of the Rule 10b5-1 Plan or (ii) two business days following the disclosure of the Company’s financial results in an SEC periodic report for the fiscal quarter in which the plan was adopted, *provided* that the maximum required cooling-off period is 120 days after adoption of the plan.
 - For Insiders other than directors or officers, the minimum cooling-off period shall end 30 days after the adoption (or modification) of the Rule 10b5-1 Plan.
- For directors and officers, the plan must include a representation that the Insider (i) is **not aware of any material nonpublic information** and (ii) is **adopting the plan in good faith** and not as part of a plan or scheme to evade the prohibitions in Rule 10b-5 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 10b-5”).
- Once the plan is adopted, the Insider **must not (i) exercise any influence over the plan**, including with respect to how, when, or whether to effect trades under the plan, (ii) alter or deviate from the plan (whether by changing the amount, price, or timing of trades), or (iii) enter into or alter a corresponding or hedging transaction or position with respect to the Company’s securities.

An Insider may not enter into overlapping Rule 10b5-1 Plans and **may only enter into one single-trade Rule 10b5-1 Plan during any 12-month period**, in each case, subject to certain exceptions.

In addition to the foregoing, it is the Company’s policy that (i) a Rule 10b5-1 Plan must meet all then-applicable requirements of the SEC’s rules and regulations, including the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act; (ii) a Rule 10b5-1 Plan must be entered into in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5; and (iii) an Insider that adopts a Rule 10b5-1 Plan must at all times act in good faith with respect to the plan.

PRE-APPROVAL REQUIREMENTS

Any adoption, modification or termination of a Rule 10b5-1 Plan must be approved in advance by the Company’s General Counsel. A new Rule 10b5-1 Plan must be submitted to the Company’s General Counsel not less than 5 business days prior to the desired date of adoption, and an amendment to a previously approved Rule 10b5-1 Plan must be submitted not less than 5 business days prior to the desired date of amendment. Once a Rule 10b5-1 Plan is approved by the Company’s General Counsel, transactions effected under the plan will not require further clearance.

RULE 10b5-1 PLANS

- ◆ You can only enter into plan during an open window, and if you are not in possession of material non-public information.
- ◆ Each plan must include the required “cooling-off period.”
- ◆ Once a plan is adopted, you cannot exercise any influence over the plan.
- ◆ Any adoption, modification or termination of a plan must be approved in advance by the Company’s General Counsel.

WHAT IS MATERIAL INFORMATION

Information is considered “material” if a reasonable investor would consider the information to be important in making a decision to buy, hold or sell the Company’s securities or, in hindsight, if there is a substantial likelihood that a reasonable investor would have viewed the information as having significantly altered the “total mix” of information made available by the Company. Any information that could reasonably be expected to affect the Company’s stock price, whether it is positive or negative, should be considered material. There is no bright-line standard for determining materiality; instead, materiality is based on an assessment of all of the facts and circumstances with the benefit of hindsight. **If you are uncertain whether information is material, then you should assume it is, unless the Company’s General Counsel advises you otherwise.**

EXAMPLES OF MATERIAL INFORMATION

While it is not possible to define all categories of material information, the following are some examples of information that generally would be regarded as material. This list is not meant to be exclusive, and other categories of information not included may also be material:

Annual or quarterly financial results.	Financing transactions.	Developments in outstanding significant litigation.
Operating reports.	Securities offerings.	Regulatory violations and regulatory or governmental inquiries or investigations.
Financial projections.	Purchases or redemptions of the Company’s securities.	Any other factors that could cause the Company’s financial results to be substantially different from analysts’ estimates.
Earnings estimates or changes in previously announced earnings estimates.	Liquidity problems or bankruptcy proceedings.	
Operating plans and projections.	Significant changes in management.	
Mergers, acquisitions and dispositions.	Stock splits and stock dividends.	
A significant new contract or customer.	Significant cost savings initiatives.	
A significant expansion or curtailment of operations.	Significant related party transactions.	
Entering into a new line of business.	Significant litigation exposure due to actual or threatened litigation.	

WHAT IS NON-PUBLIC INFORMATION

Information that has not been disclosed to the public is considered to be “non-public information.” **For information to be disclosed to the public, the information must be “broadly disseminated” in a manner sufficient to ensure its availability to the investing public generally**, without favoring any special person or group. Information generally will be considered to have been broadly disseminated if it has been disclosed through a method that is reasonably designed to effect a broad and non-exclusionary distribution to the public.

The Company can broadly disseminate material information by disclosing the information in a Form 8-K or other disclosure document that is filed with the SEC and available on the SEC’s website and/or by issuing a press release, posting the information on the Company’s website, announcing the information at a press conference or on a conference call of which the public had advance notice and to which the public was given access either in person, by telephonic transmission or by other electronic transmission (including use of the Internet).

TRADING AFTER DISCLOSURE OF MATERIAL NON-PUBLIC INFORMATION

Once material information is broadly disseminated, it is still necessary to allow the investing public sufficient time to absorb the information before the information is considered “public.” **For purposes of insider trading law, you must wait a “reasonable” time after the disclosure of material non-public information to begin trading. What constitutes a reasonable time will depend on the facts and circumstances. As a general rule, once material non-public information is released, it takes two full trading days for the market to fully absorb the information.** For example, if the Company issues a press release disclosing material non-public information *after* the market closes on Monday, then you should not trade in the Company’s securities until the market opens on Thursday. Alternatively, if the Company issues a press release *before* the market opens on Monday, then you may begin trading in the Company’s securities when the market opens on Wednesday. Depending on the circumstances, the Company may determine that a longer or shorter period should apply. If you are unsure if a reasonable time has elapsed after the disclosure of material non-public information, then contact the Company’s General Counsel.

CONSEQUENCES OF VIOLATIONS

The purchase or sale of securities while aware of material non-public information, or the disclosure of material non-public information to others who then trade in the subject company’s securities, is prohibited by federal and applicable state securities laws. **Insider trading violations are pursued vigorously by the SEC, U.S. Attorneys and applicable state enforcement authorities, among others. Punishment for insider trading violations is severe, and could include significant fines and imprisonment.** While the regulatory authorities concentrate their efforts on the individuals who trade, or who tip inside information to others who trade, the federal securities laws also impose potential liability on companies and other “controlling persons” if they fail to take reasonable steps to prevent insider trading by Company employees. In addition, an individual’s failure to comply with this Insider Trading Policy may subject the individual to Company disciplinary action up to and including dismissal for cause, whether or not the employee’s failure to comply results in a violation of law. A violation of law, or even an SEC investigation that does not result in prosecution, can tarnish a person’s reputation and irreparably damage a career. Accordingly, the Company strongly urges all persons covered by this Insider Trading Policy to strictly comply with its terms.

REPORTING VIOLATIONS

Any director, officer or employee who violates this Insider Trading Policy or any federal or state securities laws, including laws that prohibit insider trading or tipping, or who knows of any such violation by any other person, must report the violation immediately to the Company’s General Counsel. Upon learning of any such violation, the Company’s General Counsel, in consultation with the appropriate members of senior management and the Company’s outside legal counsel, will determine whether a violation has occurred, and if a violation is determined to have occurred, what response is appropriate.

WHAT TO DO IN CASE OF DOUBT

If you are uncertain whether information is material or whether it has been publicly disclosed, then you should assume such information is material non-public information and you should not trade in the Company’s securities or disclose the information outside of the Company, until you receive clearance from the Company’s General Counsel. If you are ever in doubt, or if you are unsure if a violation has occurred, then contact the Company’s General Counsel immediately.

Please direct all inquiries regarding any of the provisions or procedures set forth in this Insider Trading Policy to the Company’s General Counsel.

DO NOT DELAY

- ◆ If you violate any provision of this Insider Trading Policy, then you must immediately report the violation to the Company’s General Counsel.
- ◆ If you learn that another person has violated this Insider Trading Policy, then you must report the violation to the Company’s General Counsel immediately.
- ◆ If you are unsure whether a violation has occurred, then contact the Company’s General Counsel immediately.

SUBSIDIARIES OF THE REGISTRANT

As of September 30, 2024

<u>Subsidiary</u>	<u>Jurisdiction of Incorporation</u>
Aerial Lighting & Electric, Inc.	Connecticut
Azimuth Communications, Inc.	Oregon
Bayonet Plumbing, Heating & Air Conditioning, LLC	Florida
Calumet Armature and Electric, L.L.C.	Illinois
Edmonson Electric, LLC	Florida
Four Point Dynamics, LLC	Delaware
Freeman Enclosure Systems, LLC	Ohio
Greiner Industries, Inc.	Pennsylvania
Hotchkiss Alarms, LLC	Connecticut
ICS Holdings LLC	Arizona
IES Commercial, Inc.	Delaware
IES Communications, LLC	Delaware
IES Consolidation, LLC	Delaware
IES FL RE, LLC	Florida
IES Infrastructure Solutions, LLC	Delaware
IES Investments, LLC	Delaware
IES Management LP	Texas
IES Management ROO, LP	Texas
IES OK RE, LLC	Oklahoma
IES Operations Group, Inc.	Delaware
IES PA RE, LLC	Delaware
IES Residential, Inc.	Delaware
IES SC RE, LLC	Delaware
IES Shared Services, Inc.	Delaware
IES Subsidiary Holdings, Inc.	Delaware
Integrated Electrical Finance, Inc.	Delaware
K.E.P. Electric, Inc.	Ohio
Key Electrical Supply, Inc.	Texas
Magnetech Industrial Services, Inc.	Indiana
NEXT Electric, LLC	Wisconsin
Plant Power and Control Systems, L.L.C.	Alabama
Southern Industrial Sales and Services, Inc.	Georgia
Technibus, Inc.	Delaware
Thomas Popp & Company	Ohio
Wedlake Fabricating, Inc.	Oklahoma

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement on Form S-8 (No. 333-209483) pertaining to the Amended and Restated 2006 Equity Incentive Plan of IES Holdings, Inc.;
- (2) Registration Statement on Form S-8 (No. 333-134100) pertaining to the 2006 Equity Incentive Plan of IES Holdings, Inc.;
- (3) Registration Statement on Form S-3 (No. 333-186786) pertaining to the registration for resale of common stock of IES Holdings, Inc. by the selling stockholders named therein; and
- (4) Registration Statement on Form S-3 (No. 333-215071) pertaining to the registration for resale of common stock of IES Holdings, Inc. by the selling stockholders named therein;

of our reports dated November 22, 2024, with respect to the consolidated financial statements of IES Holdings, Inc. and subsidiaries and the effectiveness of internal control over financial reporting of IES Holdings, Inc. and subsidiaries included in this Annual Report (Form 10-K) of IES Holdings, Inc. and subsidiaries for the year ended September 30, 2024.

/s/ Ernst & Young LLP

Houston, Texas
November 22, 2024

CERTIFICATION

I, Jeffrey L. Gendell, certify that:

1. I have reviewed this Annual Report on Form 10-K of IES Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 22, 2024

/s/ JEFFREY L. GENDELL

Jeffrey L. Gendell

Chief Executive Officer as Principal Executive Officer

CERTIFICATION

I, Tracy A. McLauchlin, certify that:

1. I have reviewed this Annual Report on Form 10-K of IES Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 22, 2024

/s/ TRACY A. MCLAUHLIN

Tracy A. McLauchlin

Senior Vice President, Chief Financial Officer and Treasurer
as Principal Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this Annual Report of IES Holdings, Inc. (the "Company") on Form 10-K for the period ending September 30, 2024 (the "Report"), I, Tracy A. McLauchlin, Senior Vice President, Chief Financial Officer and Treasurer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 22, 2024

By:

/s/ TRACY A. MCLAUHLIN

Tracy A. McLauchlin
Senior Vice President, Chief Financial Officer and Treasurer
as Principal Financial Officer

IES HOLDINGS, INC.
INCENTIVE AWARD RECOUPMENT POLICY

This INCENTIVE AWARD RECOUPMENT POLICY (this "**Policy**") is adopted as of October 2, 2023 (the "**Effective Date**"), by the Human Resources and Compensation Committee (the "**Committee**") of the Board of Directors (the "**Board**") of IES Holdings, Inc., a Delaware corporation (our "**Company**").

WHEREAS, Section 304 of the Sarbanes Oxley Act of 2002 ("**Section 304**") requires the Chief Executive Officer and the Chief Financial Officer of our Company to reimburse our Company for certain Incentive Compensation either receives (including profits they realize on the sale of our Company's securities) during the 12-month period preceding a required restatement of our Company's audited financial statements that resulted from their respective Misconduct;

WHEREAS, the applicable recoupment provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank**") are broader than Section 304 and will become effective with respect to certain Incentive Compensation that is Received by a Covered Individual on or after October 2, 2023; and

WHEREAS, the Committee believes it would be in the best interests of our Company's shareholders to have this Policy adopted by the Committee.

NOW THEREFORE, the applicable provisions of this Policy are as follows:

1. Definitions. Except as otherwise provided above, terminology used in this Policy shall have the following meanings:

(a) "**Accounting Restatement**" means a requirement that the Company prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the U.S. federal securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period. Changes to the Company's financial statements that do not represent error corrections are not an Accounting Restatement, including: (i) retrospective application of a change in accounting principle; (ii) retrospective revision to reportable segment information due to a change in the structure of the Company's internal organization; (iii) retrospective reclassification due to a discontinued operation; (iv) retrospective application of a change in reporting entity, such as from a reorganization of entities under common control; and (v) retrospective revision for stock splits, reverse stock splits, stock dividends or other changes in capital structure.

(b) "**Covered Individual**" shall mean differently depending upon whether the reference to Covered Individual relates to the Dodd-Frank clawback or the Section 304 clawback. For purposes of the Dodd-Frank clawback set forth in Section 2(a) of this Policy, the

term Covered Individual means, both former and current, the (i) named executive officers of our Company; (ii) each "executive officer" of our Company (as such term is defined under Section 16 of the Securities Exchange Act of 1934); and (iii) any officer of our Company or any of its subsidiaries that is designated by the Committee as being subject to this Policy. For purposes of the Section 304 clawback set forth in Section 3(b) of this Policy, the term Covered individual means the current Chief Executive Officer and/or current Chief Financial Officer of the Company.

(c) **"Erroneously Awarded Compensation"** means the amount of Incentive Compensation that was Received that exceeds the amount of Incentive Compensation that otherwise would have been Received had the amount of Incentive Compensation been determined based on the restated Financial Reporting Measures, computed without regard to any taxes paid by the Covered Individual or by the Company on the Covered Individual's behalf. For Incentive Compensation based on total shareholder return or Company stock price, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an accounting restatement, the amount of Erroneously Awarded Compensation will be based on a reasonable estimate by the Committee of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was Received. The Company will maintain documentation of the determination of that reasonable estimate and provide such documentation to NASDAQ as required.

(d) **"Financial Reporting Measures"** means (i) measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures that are derived wholly or in part from such measures (whether or not such measures are presented within the Company's financial statements or included in a filing made with the U.S. Securities and Exchange Commission), (ii) Company stock price and (iii) Company total shareholder return.

(e) **"Incentive Compensation"** shall mean a Covered Individual's cash bonus awarded under our Company's annual incentive plan and any equity-based awards granted pursuant to our Company's long-term incentive plans that are earned, paid/granted or vested wholly (or in part) upon the attainment of any Financial Reporting Measure of our Company.

(f) **"Look-Back Period"** shall have different meaning depending upon whether the reference to Look-Back Period relates to the Dodd-Frank clawback or the Section 304 clawback. For purposes of the Dodd-Frank clawback set forth in Section 2(a) of this Policy, the Look-Back Period shall mean the three completed fiscal years immediately preceding the earlier of: (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement; or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement. And too, if there is a change in the Company's fiscal year end, the Look-Back Period will also include any transition period to the extent required by Section 303A.14. In contrast, for purposes of the Section 304 clawback set forth in Section 2(b) of this

Policy, the Look-Back Period shall mean the 12-month period immediately preceding the date on which the Company files full or partial restated financial statements with the Securities Exchange Commission.

(g) "**Received**" shall mean, with respect to Incentive Compensation of a Covered Individual, the fiscal year to which the Financial Reporting Measure is attained, irrespective of whether the Incentive Compensation is subject to additional time or non-financial performance vesting conditions.

2. Recoupment of Incentive Compensation – Restatement of Financial Statements.

(a) *Dodd-Frank Clawback.* Subject to the terms of this Policy and the requirements of Section 303A.14, if the Company is required to prepare an Accounting Restatement, then the Company shall recover, reasonably promptly from each Covered Individual as set forth in Section 5 below, any Erroneously Awarded Compensation that was Received by such Covered Individual during the Look-Back Period. Any amounts otherwise recoverable by the Company under this Section 2(a) shall be reduced on a dollar-for-dollar basis by any amounts recoverable by the Company under Section 2(b) of this Policy. Notwithstanding anything herein to the contrary, this Policy shall be deemed automatically and unilaterally amended to the minimum extent necessary to comply with the applicable listing standards to which the Company is listed.

(b) *Section 304 Clawback.* In the event the Company is required to restate its financial statements as the result of Misconduct of a Covered Individual, then such Covered Individual that engaged in the Misconduct must reimburse the Company for any Erroneously Awarded Compensation that was Received by him or her during the Look-Back Period. For purposes of this Section 2(b), the term "**Misconduct**" shall mean fraud, intentional misconduct, gross negligence or a material violation of the Company's code of ethics or insider trading policy or any other policies or regulations of the Company governing the conduct of its employees, as determined in the reasonable discretion of the Committee.

3. Committee Discretion. The Committee may, in determining appropriate remedial action, take into account the financial cost of penalties or punishments imposed by third parties, such as law enforcement agencies, regulators or other authorities; however, such determinations shall not mitigate or eliminate the Company's obligations to clawback Erroneously Awarded Compensation pursuant to Section 2 of this Policy.

4. Amendment, Termination and Interpretation. The Committee may at any time suspend, amend or terminate this Policy to the minimum extent necessary to comply with applicable laws. Pursuant to Section 5, below, the Committee shall have the sole discretion to interpret and enforce this Policy. To that end, this Policy shall be interpreted to be automatically amended to the minimum extent necessary to comply with the provisions of the Dodd-Frank clawback and the Section 304 clawback.

5. Enforcement and Impracticability. The Committee shall recover any Incentive Compensation in accordance with this Policy unless such recovery would be impracticable, as determined by the Committee in accordance with Rule 10D-1 of the of the Securities Exchange Act of 1934 and the listing standards of the national securities exchange on which the Company's securities are listed. To the extent the Committee determines to enforce recoupment, (i) the Committee shall provide the Covered Individual written notice of its intent to recoup Incentive Compensation under this Policy, along with the timeline within which the Covered Individual must respond, (ii) to the extent the Covered Individual does not intend to comply with such recoupment efforts, he or she must respond to the Committee in writing detailing the reasons why non-compliance is warranted and such response must be provided to the Committee within fifteen (15) business days from the Covered Individual receiving the Committee's initial notice, and (iii) if the Committee disagrees with the Covered Individual's assertions, then the Committee must respond to the Covered Individual in writing detailing such reasons within the fifteen (15) business days immediately following its receipt of the Covered Individual's written response.

6. Determination of Means of Recovery. With respect to recovery of Erroneously Awarded Compensation and subject to the requirement that recovery be made reasonably promptly, the Committee will determine the appropriate means of recovery, which may vary, without limitation, between Covered Individuals or based on the nature of the applicable Incentive Compensation, and which may involve, without limitation, establishing a deferred repayment plan or set off against current or future compensation otherwise payable to the Covered Person. Recovery of Erroneously Awarded Compensation will be made without regard to income taxes paid by the Covered Individual or by the Company on the Covered Individual's behalf in connection with such Erroneously Awarded Compensation.

7. Compensation Not Subject to this Policy. Section 2(a) of this Policy does not apply to Incentive-Compensation that was Received before October 2, 2023, and does not apply to Incentive Compensation that was Received by a Covered Individual before beginning service as an Executive Officer.

8. No Indemnification or Company-Paid Insurance. The Company will not indemnify or reimburse any Covered Individual against or for the loss of Erroneously Awarded Compensation and will not pay or reimburse any Covered Individual for the purchase of a third-party insurance policy to fund potential recovery obligations.

9. Effective Date. This Policy shall apply to all Covered Individuals from and after the Effective Date with respect to the Dodd-Frank clawback under Section 2(a) of this Policy, and with respect to the Section 304 clawback under Section 2(b) of this Policy, as required by applicable law.

* * * * *