IES HOLDINGS, INC. (NASDAQ: IESC) | SIDOTI SMALL-CAP CONFERENCE | MARCH 2023

Disclosures

Forward-Looking Statements

Certain statements in this release may be deemed “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, all of which are based upon various estimates and assumptions that the Company believes to be reasonable as of the date hereof. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “could,” “should,” “expect,” “plan,” “project,” “intend,” “anticipate,” “believe,” “seek,” “estimate,” “predict,” “potential,” “pursue,” “target,” “continue,” the negative of such terms or other comparable terminology. These statements involve risks and uncertainties that could cause the Company’s actual future outcomes to differ materially from those set forth in such statements. Such risks and uncertainties include, but are not limited to, the impact of the COVID-19 outbreak or future pandemics on our business, including the potential for job site closures or work stoppages, supply chain disruptions, delays in awarding new projects, construction delays, reduced demand for our services, delays in our ability to collect from our customers, the impact of third party vaccine mandates on employee recruiting and retention, or illness of management or other employees; the ability of our controlling shareholder to take action not aligned with other shareholders; the possibility that certain tax benefits of our net operating losses may be restricted or reduced in a change in ownership or a change in the federal tax rate; the potential recognition of valuation allowances or write-downs on deferred tax assets; the inability to carry out plans and strategies as expected, including our inability to identify and complete acquisitions that meet our investment criteria in furtherance of our corporate strategy, or the subsequent underperformance of those acquisitions; competition in the industries in which we operate, both from third parties and former employees, which could result in the loss of one or more customers or lead to lower margins on new projects; fluctuations in operating activity due to downturns in levels of construction or the housing market, seasonality and differing regional economic conditions; the possibility of inaccurate estimates used when entering into fixed-price contracts and our ability to successfully manage projects, as well as other risk factors discussed in this document, in the Company’s annual report on Form 10-K for the year ended September 30, 2022 and in the Company’s other reports on file with the SEC. You should understand that such risk factors could cause future outcomes to differ materially from those experienced previously or those expressed in such forward-looking statements. The Company undertakes no obligation to publicly update or revise any information, including information concerning its controlling shareholder, net operating losses, borrowing availability, or cash position, or any forward-looking statements to reflect events or circumstances that may arise after the date of this release.

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

Non-GAAP Financial Measures and Other Adjustments

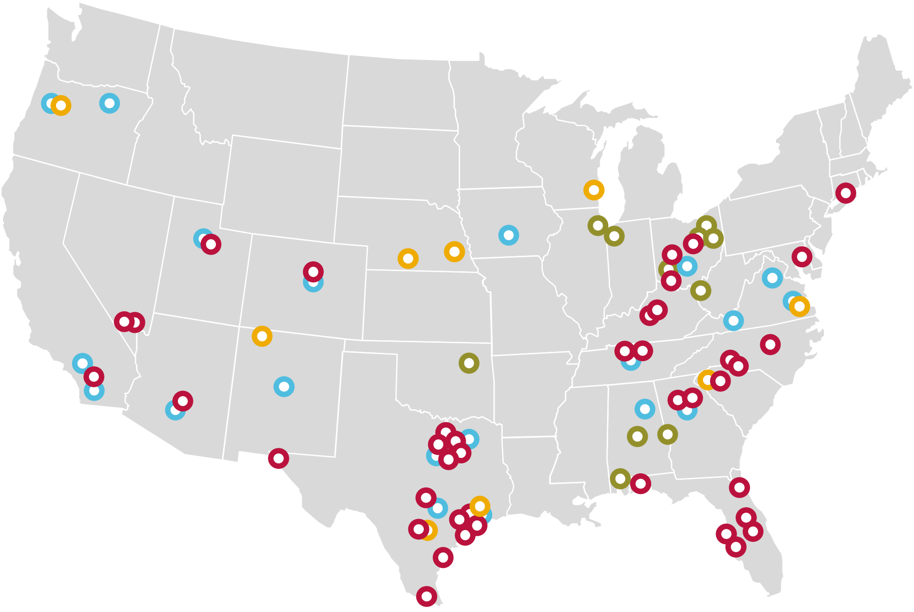
This document includes adjusted net income attributable to IES, adjusted diluted earnings per share attributable to common stockholders, and backlog, and, in the non-GAAP reconciliation tables included herein, adjusted net income attributable to common stockholders, adjusted EBITDA and adjusted net income before taxes, each of which is a financial measure not calculated in accordance with generally accepted accounting principles in the U.S. (“GAAP”). Management believes that these measures provide useful information to our investors by, in the case of adjusted net income attributable to common stockholders, adjusted earnings per share attributable to common stockholders, adjusted EBITDA and adjusted net income before taxes, distinguishing certain nonrecurring events such as litigation settlements or significant expenses associated with leadership changes, or noncash events, such as impairment charges or our valuation allowances release and write-down of our deferred tax assets, or, in the case of backlog, providing a common measurement used in IES's industry, as described further below, and that these measures, when reconciled to the most directly comparable GAAP measures, help our investors to better identify underlying trends in the operations of our business and facilitate easier comparisons of our financial performance with prior and future periods and to our peers. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information calculated in accordance with GAAP. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures, which has been provided in the financial tables included in this document. Remaining performance obligations represent the unrecognized revenue value of our contract commitments. While backlog is not a defined term under GAAP, it is a common measurement used in IES’s industry and IES believes this non-GAAP measure enables it to more effectively forecast its future results and better identify future operating trends that may not otherwise be apparent. IES’s remaining performance obligations are a component of IES’s backlog calculation, which also includes signed agreements and letters of intent which we do not have a legal right to enforce prior to work starting. These arrangements are excluded from remaining performance obligations until work begins. IES’s methodology for determining backlog may not be comparable to the methodologies used by other companies.

For further details on the Company’s financial results, please refer to the Company’s annual report on Form 10-K for the fiscal year ended September 30, 2022, filed with the Securities and Exchange Commission (“SEC”) on December 6, 2022, and any amendments thereto.

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

IES Holdings at a Glance (NASDAQ: IESC)

Revenue ($ million) [1]	$2,167
5-Year Revenue CAGR [2]	22%
5-Year Operating Income CAGR [2]	23%
Acquisitions (since 2015)	15
Operating Locations	100+
Employees	8,000+



Provider of Electrical, Communication and Other Infrastructure Services

COMMUNICATIONS	RESIDENTIAL	INFRASTRUCTURE SOLUTIONS	COMMERCIAL & INDUSTRIAL
Technology & Data Center Infrastructure Services	Electrical, HVAC & Plumbing Services for Residential Construction	Custom Power Solutions, Electrical & Mechanical Apparatus Services	Electrical & Mechanical Contracting and Services
FY22 Revenue: $560M	FY22 Revenue: $1,131M	FY22 Revenue: $167M	FY22 Revenue: $309M

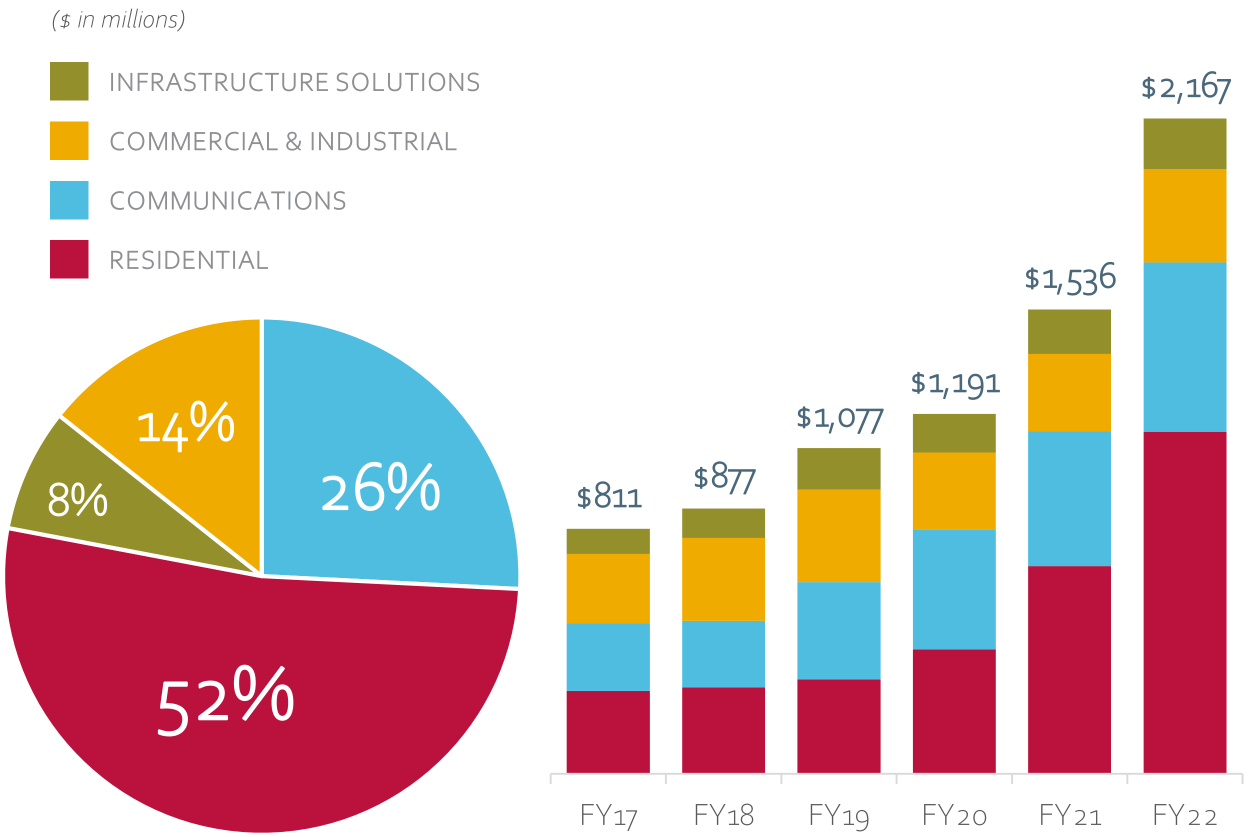
1. *For the Fiscal Year Ended September 30, 2022*
2. *Includes organic growth, as well as benefit or addition from acquisitions made*

End Markets and Capabilities

Markets	Capabilities
Housing	Electrical
Data Centers	Technology Infrastructure
E-Commerce	Custom Power Solutions
Industrial & Manufacturing	Industrial Services
Commercial & Institutional	Mechanical & Plumbing
Power	
Transportation	

Revenue Breakdown

FY2022 revenue of $2.2 billion



Communications Segment

IES Communications

BUSINESS OVERVIEW

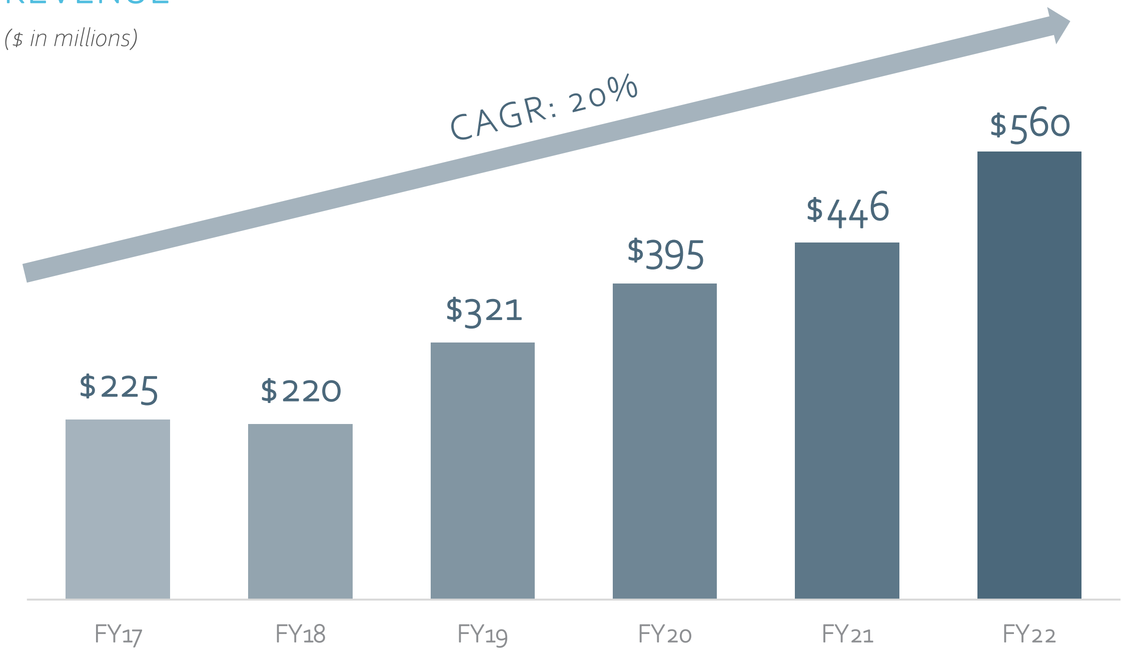
- Nationwide provider of network technology integration and services, including structured cabling and audio/visual services
- Best-in-class customer base, including many Fortune 100 companies
- National safety and quality programs
- Operational and financial resources to keep pace with rapidly growing and evolving markets

REPRESENTATIVE MARKETS

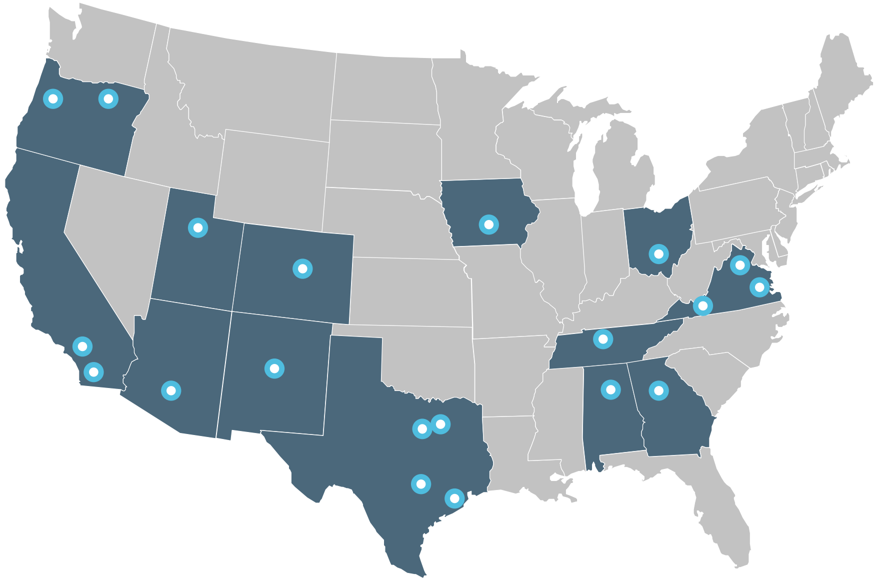
- Data Centers
- Distribution
- Education
- Financial
- Healthcare Facilities
- High-Tech Manufacturing
- Hospitality
- Information Technology
- Office Buildings

REVENUE

($ in millions)



GEOGRAPHIC MARKETS

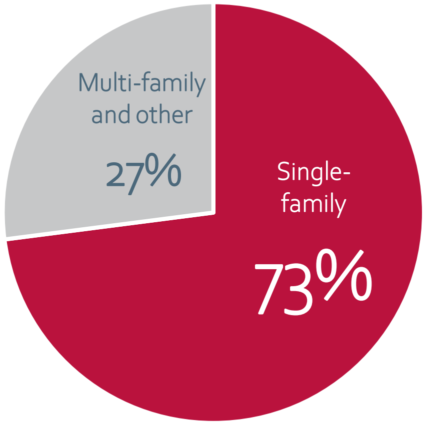


Residential Segment

BUSINESS OVERVIEW

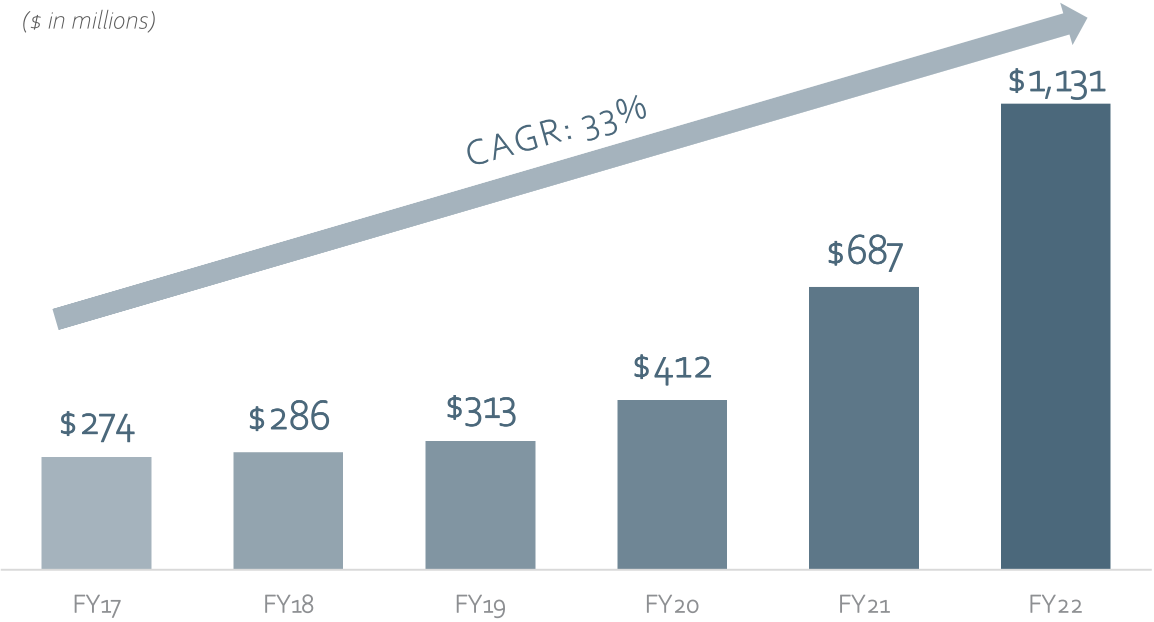
- Electrical, HVAC and plumbing installation for single-family and multi-family residential construction, cable TV and solar installation services
- Located in many of the largest and fastest growing population markets
- Track record of organic growth, adding six branches in the last three years, and acquisitions to expand geographically and add new trades

END MARKETS IN FISCAL 2022

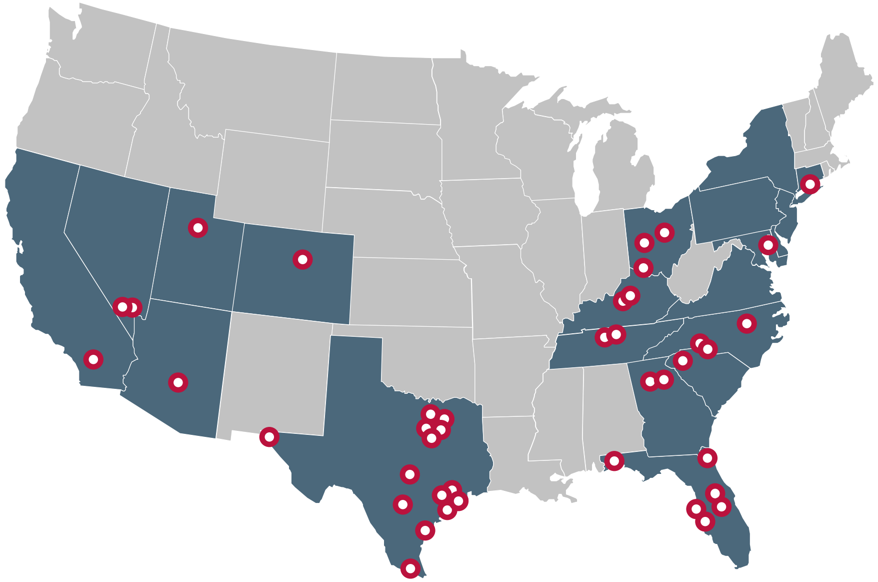


REVENUE

($ in millions)



GEOGRAPHIC MARKETS



Infrastructure Solutions Segment

IES Infrastructure

BUSINESS OVERVIEW

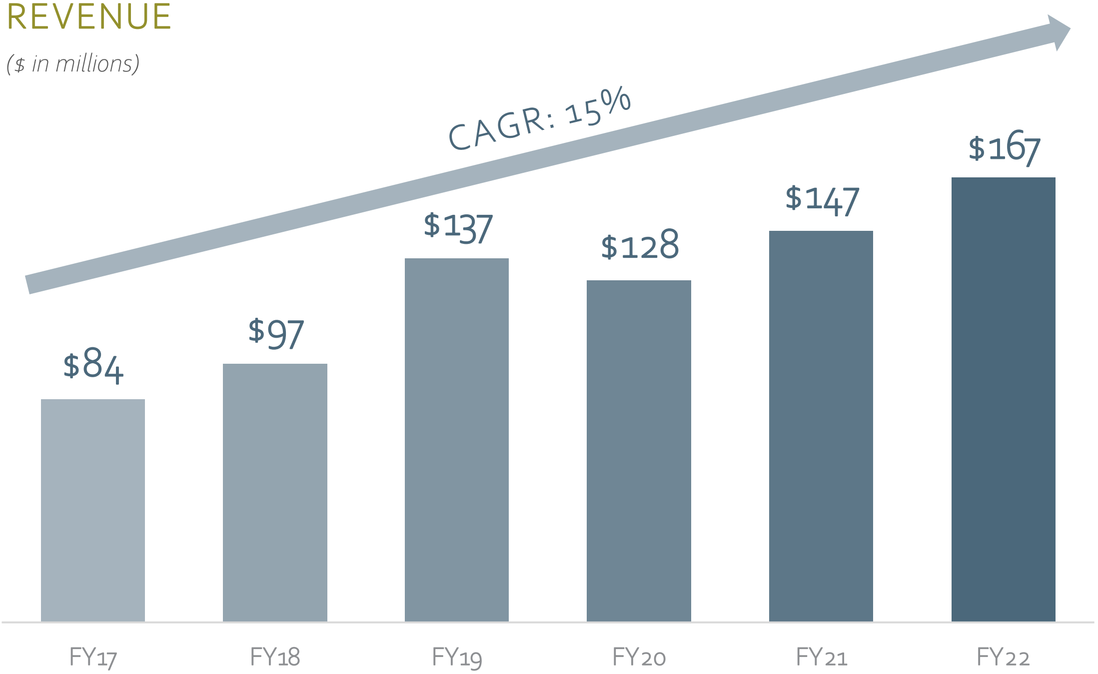
- Provider of custom power solutions, including generator enclosures, switchgear and bus duct, as well as electrical and mechanical apparatus services
- Strategic service center locations with best-in-class execution
- Custom fabrication, engineering and manufacturing capabilities

REPRESENTATIVE MARKETS

- Data Centers
- Healthcare
- Manufacturing
- Marine
- Mining
- Petrochemical
- Power Generation
- Pulp and Paper
- Rail / Transit
- Scrap Yards
- Steel
- Utilities
- Wind Energy
- Water / Wastewater

REVENUE

($ in millions)



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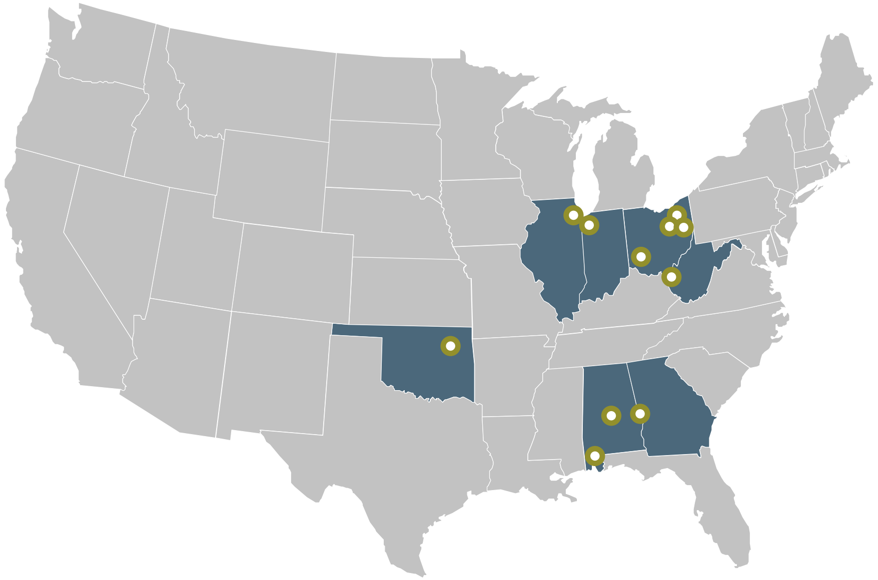


Commercial & Industrial Segment

IES Commercial & Industrial

BUSINESS OVERVIEW

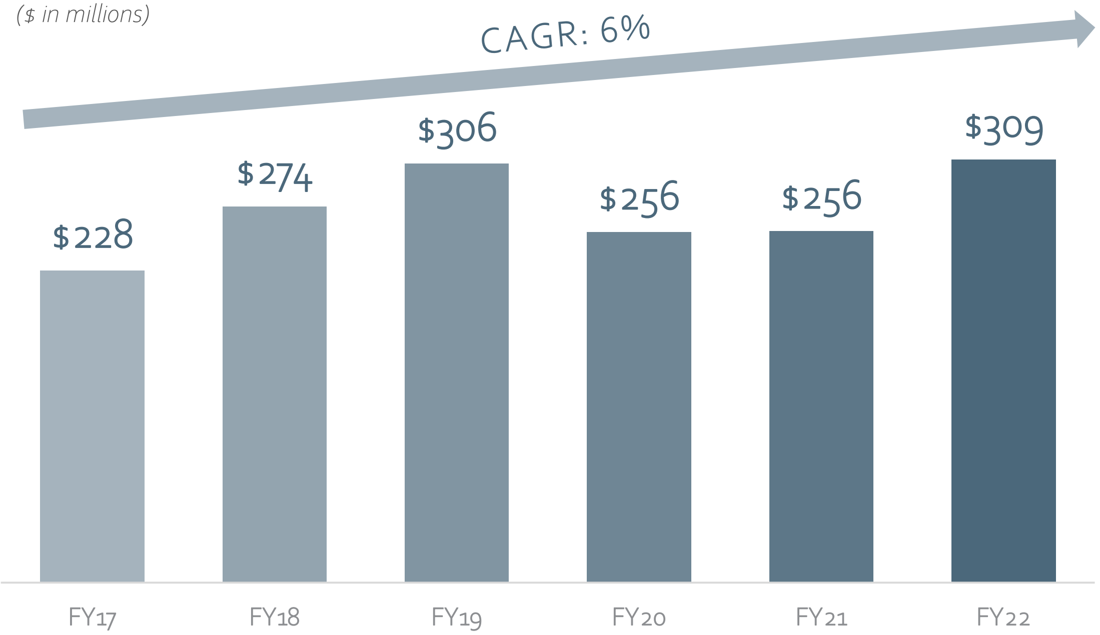
- Provider of electrical and mechanical (HVAC) design, construction and maintenance services
- Regional market leadership
- National safety and quality programs
- Scale versus local competition
- Strong financial resources, including bonding capacity, create a competitive advantage

REPRESENTATIVE MARKETS

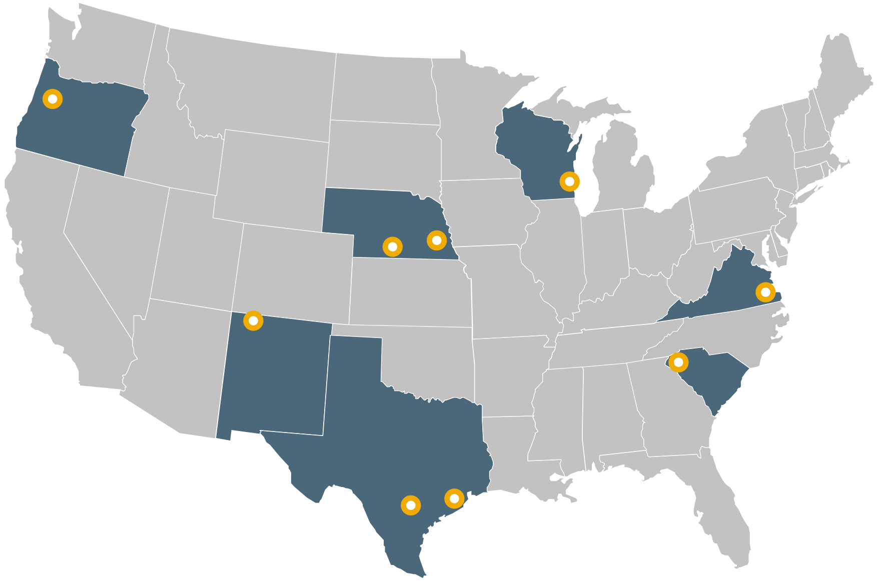
- Chemical and Refining
- Data Centers
- Education
- Healthcare Facilities
- Hospitality
- Manufacturing
- Mixed Use Facilities
- Municipal Infrastructure
- Office Buildings
- Processing Plants
- Wastewater
- Wind Farms / Solar

REVENUE

($ in millions)



GEOGRAPHIC MARKETS



Profitable Growth Strategy

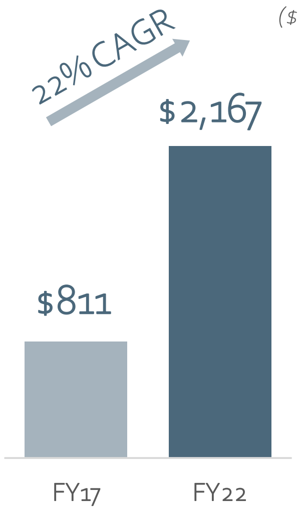
Demonstrated Growth

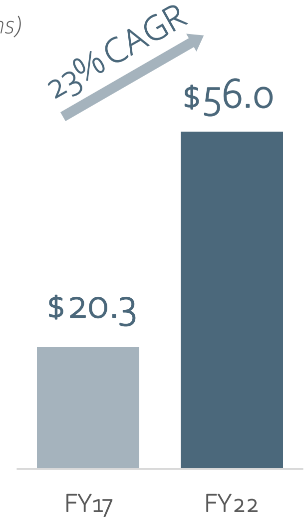
- Capitalize on our scale, expertise and end market exposure to achieve long-term top-line growth
- Leverage customer relationships and acquisition strategy to open new opportunities in attractive end markets

REVENUE

OPERATING INCOME

($ in millions)





Accretive Acquisitions

- Utilize market exposure to pursue acquisition opportunities that fit into existing segment platforms
- Focused on specific geographic additions, products and services

6 RECENT ACQUISITIONS

EDMONSON Electric • AC • Security

AERIAL ELECTRIC

WEDLAKE Quality Generator Products

Bayonet PLUMBING • COOLING • HEATING

KEP Electric "Your Midwest Electrical Contractor"

PPCS PLANT POWER & CONTROL SYSTEMS

Strong Financial Position

- Maintain a strong and flexible capital position
- Preserve operational flexibility, liquidity and free cash flow for organic growth and acquisitions

$149 MILLION
of free cash flow
since 2017 (excl. M&A) (1)

$149 MILLION
of acquisitions since 2017 (1)

$150 MILLION
revolving credit facility

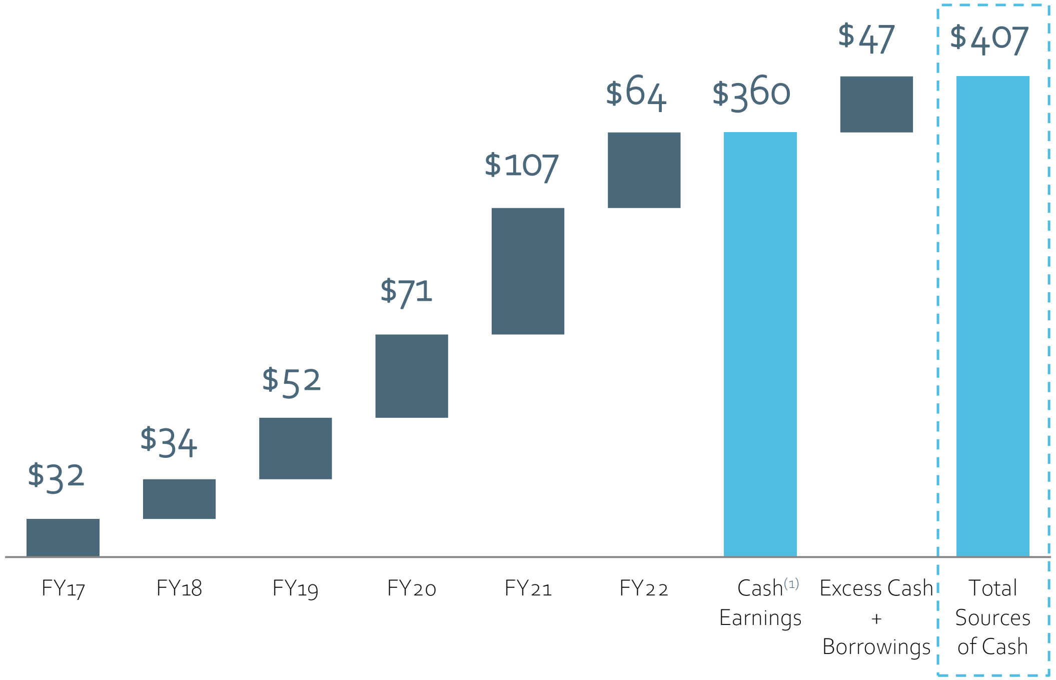
1. *As of September 30, 2022*

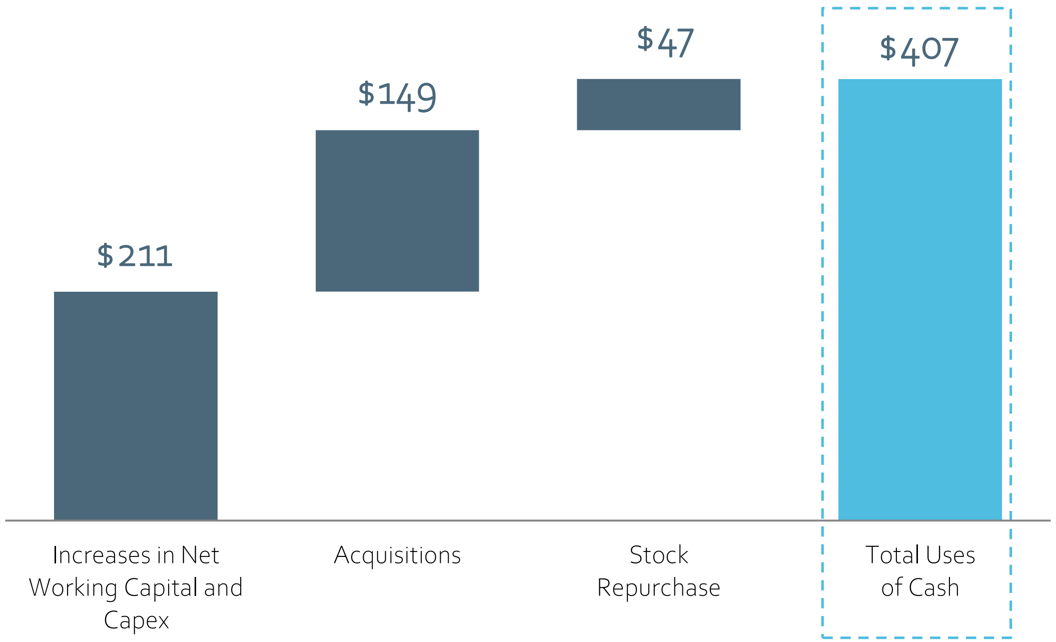
Capital Allocation Strategy

Our capital allocation strategy focuses on deploying the free cash flow generated by our diverse businesses into existing operations, accretive investments and returning capital to shareholders, while maintaining a strong financial position

FY2017 – FY2022 Sources & Uses of Cash

($ in millions)





1. *Cash Earnings = Cash from Operations before Changes in Net Working Capital*

IES: Integrating Technology & Electrical Services

Residential Infrastructure

- Pent-up demand from years of underbuilding
- COVID related re-prioritization of home
- Growing household formation
- Millennials buying suburban homes

Technology Infrastructure

- Data center construction to support growth of streaming and cloud adoption
- Local warehouse facilities to facilitate shorter delivery times
- Buildout of 5G technology and related capabilities

Evolving Electrical Landscape

- Grid reliability issues driving back-up power needs due to aging infrastructure and increasing reliance on technology across the economy
- Electrification driving innovative power solutions
- Renewable energy adoption increasing grid complexity

Investment Appeal: Why Invest in IES?

1

Revenue Growth Driven by Exposure to Three Key Secular Themes

- U.S. residential housing
- Technical communications infrastructure
- Electrical infrastructure evolution

2

Strong Balance Sheet & Earnings Growth; Robust Free Cash Flow

- Organic and inorganic investments receive first priority
- Operating leverage across business segments
- Attractive earnings growth over the long-term augmented by use of free cash flow

3

Disciplined Capital Allocation

- Proven acquisition record across business segments
- Demonstrated history of returning capital to shareholders

4

Strategically Positioned Operations Across the U.S.

- Positioned in attractive markets where demographic trends are strongest
- Regional growth supports need for investments that benefit all segments

5

Growing & Accelerating De-Carbonization Trends Benefit All Segments

First Quarter 2023 Highlights and Key Market Outlook & Priorities

First Quarter 2023 Highlights

- Revenue of $575 million, an increase of 20% year-over-year (“y-o-y”)
- Operating income of $40.7 million, including pretax gain of $13.0 million from the sale of STR Mechanical; excluding this gain an increase of 37% y-o-y
- Net income per Share of $1.14 and adjusted net income per Share* of $0.82
- Record remaining performance obligations of $1.0 billion, a GAAP measure of future revenue to be recognized from current contracts with customers, and backlog* of $1.3 billion

** Non-GAAP financial measure; see reconciliation table*

Fiscal 2023 Key Market Outlook and Priorities

Communications

- Continued strong demand from national, diversified customer base serving broad range of high-tech infrastructure needs and industrial manufacturers
- Improved operational execution expected to benefit Operating Income in FY'23

Residential

- Positive outlook due to position in high growth markets such as Florida and Texas, despite higher interest rates and increasing housing prices
- Focused on serving both multi-family and single-family development customers

Infrastructure Solutions

- Expect strong improvement in 2023 results, driven by improved operational execution in key facilities and material availability
- Costs associated with acquisition integration and start-up of new capacity now largely completed

Commercial & Industrial

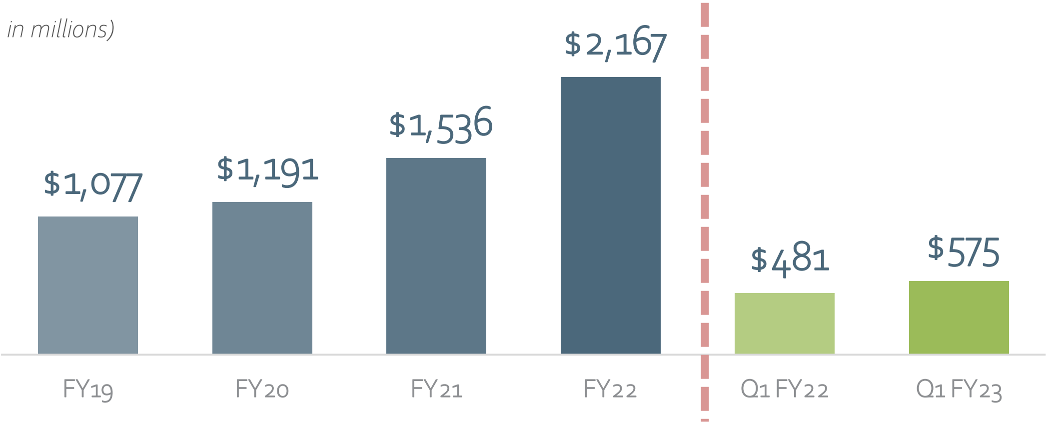
- Implemented improved bidding processes in 2023 and continue to explore optimal operating structure
- Improved operational execution expected to benefit Operating Income in FY'23

Appendix

Historical Financial Highlights

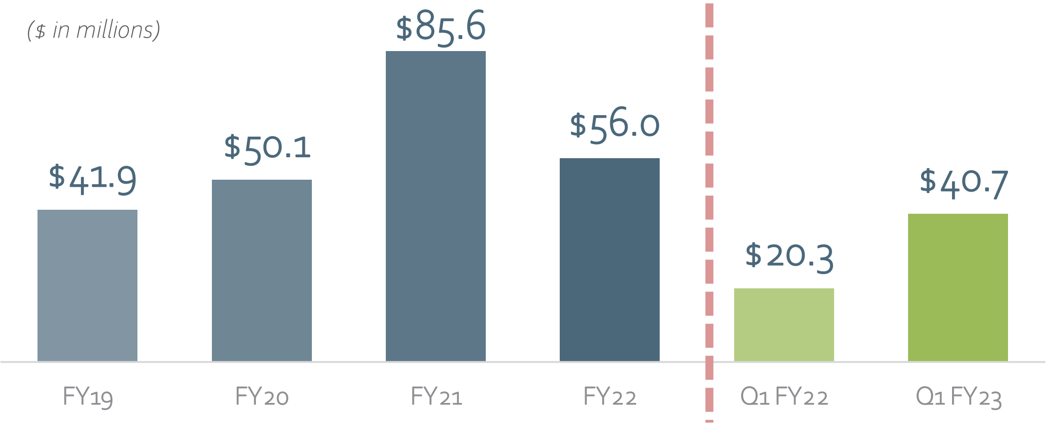
REVENUE

($ in millions)



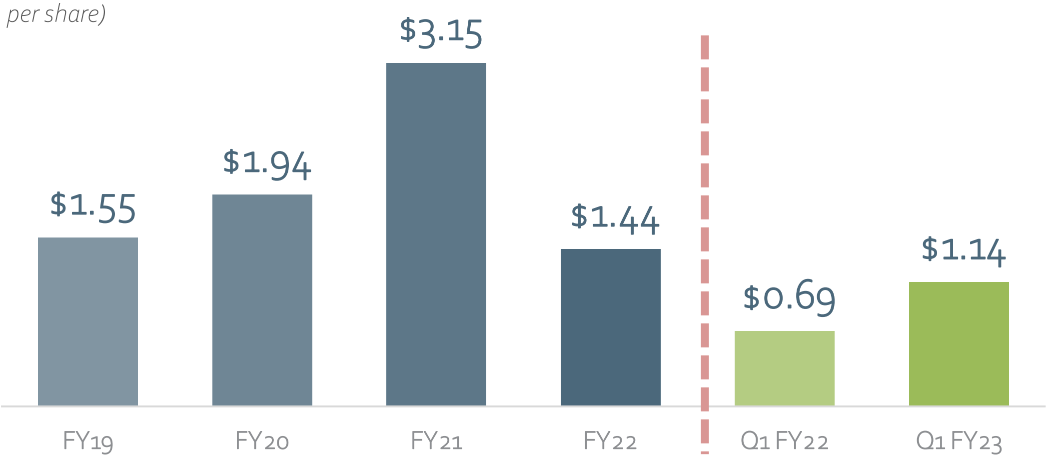
OPERATING INCOME

($ in millions)



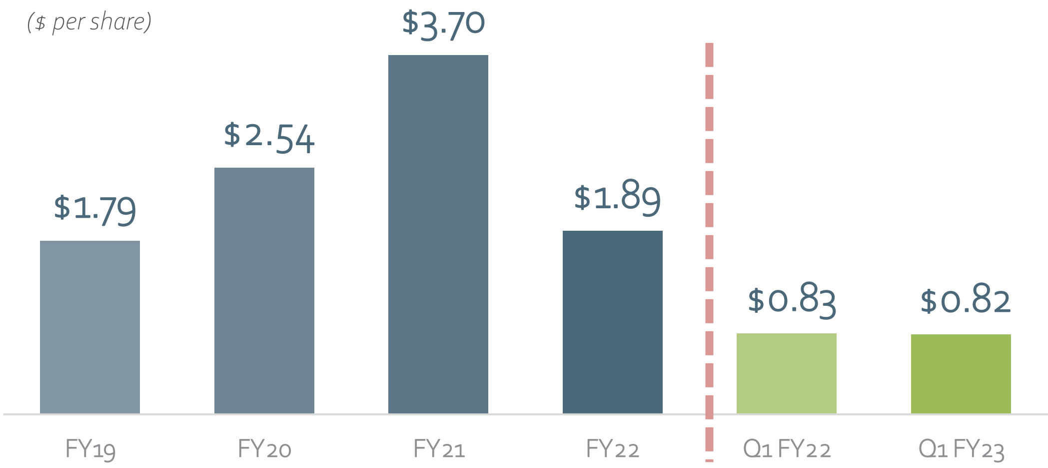
GAAP EPS (1)

($ per share)



ADJUSTED EPS

($ per share)



1. *GAAP earnings for fiscal 2018 include a charge of $31 million to remeasure our net deferred tax assets upon a change in the federal income tax rate.*

Consolidated Income Statement

(in millions, except earnings per share)	Fiscal Year Ending September 30,				Quarter Ending December 31,	
	2019	**2020**	**2021**	**2022**	**2022**	**2023**
Revenue	$1,077.0	$1,190.9	$1,536.5	$2,166.8	$494.6	$512.4
Income from operations[1]	41.9	50.1	85.6	56.0	0.4	7.6
Interest expense & other	1.7	0.8	0.7	3.0	2.3	1.4
Provision for income taxes	6.7	8.7	16.2	12.8	0.3	0.7
Net income attributable to noncontrolling interest	(0.3)	1.0	(2.0)	(5.4)	0.0	0.0
Net income attributable to IES Holdings, Inc.	$33.2	$41.6	$66.7	$34.8	($2.2)	$5.5
Adjusted net income attributable to common stockholders[2]	*$38.4*	*$53.5*	*$78.0*	*$39.4*	*($2.2)*	*$7.4*
Earnings per share attributable to common stockholders	$1.55	$1.94	$3.15	$1.44	($0.14)	$0.30
Adjusted earnings per share attributable to common stockholders[2]	*$1.79*	*$2.54*	*$3.70*	*$1.88*	*($0.14)*	*$0.40*
Diluted shares used to calculate earnings per share	21.3	21.1	21.1	20.9	15.5	18.5

(1) Operating income includes a $7.0 million goodwill impairment charge in 2020 and executive severance charges of $0.8 million and $1.8 million in 2019 and 2020, respectively

(2) Adjusted net income attributable to common stockholders and Adjusted earnings per share attributable to common stockholders are non-GAAP financial measures; see reconciliation table

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

(in millions, except earnings per share)	Fiscal Year Ending September 30,				Quarter Ending December 31,	
	2019	2020	2021	2022	2021	2022
Net income attributable to IES Holdings, Inc.	$33.2	$41.6	$66.7	$34.8	$14.5	$26.4
Gain on sale of STR Mechanical	–	–	–	–	–	(13.0)
Provision (benefit) for income taxes	6.7	8.7	16.2	12.8	4.0	10.0
Adjusted net income before taxes	$39.9	$50.3	$82.9	$47.6	$18.5	$23.5
Current tax expense [1]	(2.3)	(3.6)	(4.5)	(3.5)	(0.9)	(3.6)
Goodwill impairment expense, net of noncontrolling interest	–	5.7	–	–	–	–
Severance expense	0.8	1.8	–	–	–	–
Adjusted net income attributable to IES Holdings, Inc. [2]	$38.4	$54.2	$78.4	$44.1	$17.6	$19.9
Adjustments for computation of earnings per share:						
(Increase) decrease in noncontrolling interest	–	–	(0.3)	(4.7)	(0.1)	(3.1)
Net income attributable to restricted stockholders	–	(0.7)	(0.1)	–	–	–
Adjusted net income attributable to common stockholders [2]	$38.4	$53.5	$78.0	$39.4	$17.5	$16.8
Adjusted earnings per share attributable to common stockholders [2]	$1.79	$2.54	$3.70	$1.88	$0.83	$0.82
Diluted shares used to calculate earnings per share	21.3	21.1	21.1	20.9	21.0	20.4

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

[2] Adjusted net income attributable to IES Holdings, Inc., Adjusted net income attributable to common stockholders and Adjusted earnings per share attributable to common stockholders are non-GAAP financial measures

Summary Balance Sheet

(in millions)	Fiscal Year Ending September 30,				Quarter Ending December 31,	
	2019	2020	2021	2022	2021	2022
Cash	$18.9	$53.6	$23.1	$24.8	$7.8	$5.2
All Other Current Assets	277.5	317.9	461.1	599.5	488.7	584.1
Deferred Tax Assets	40.9	33.8	19.0	20.5	16.8	21.0
Non-Current Assets	107.9	155.3	263.4	289.8	271.9	286.5
Total Assets	$445.3	$560.5	$766.6	$934.7	$785.2	$896.8
Current Liabilities	$193.5	$242.4	$311.6	$401.9	$298.8	$376.9
Other Liabilities	1.9	32.7	44.8	60.7	38.1	66.6
Debt	0.3	0.2	39.7	81.6	67.8	42.0
Total Liabilities	$195.7	$275.4	$396.1	$544.2	$404.7	$485.5
Noncontrolling Interest	3.3	1.8	24.6	29.2	24.1	33.2
Equity	246.2	283.3	346.0	361.3	356.5	378.1
Total Liabilities & Equity	$445.3	$560.5	$766.6	$934.7	$785.2	$896.8
Net Cash (Debt)	$18.6	$53.4	($16.6)	($56.8)	($60.0)	($36.8)