
IES Holdings, Inc.

Fiscal 2017 First Quarter Update

February 9, 2017



Disclosures

Forward-Looking Statements

Certain statements in this document may be deemed "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, all of which are based upon various estimates and assumptions that IES Holdings, Inc. (the "Company" or "IES") believes to be reasonable as of the date hereof. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "could," "should," "expect," "plan," "project," "intend," "anticipate," "believe," "seek," "estimate," "predict," "potential," "pursue," "target," "continue," the negative of such terms or other comparable terminology. These statements involve risks and uncertainties that could cause the Company's actual future outcomes to differ materially from those set forth in such statements. Such risks and uncertainties include, but are not limited to, the ability of our controlling shareholder to take action not aligned with other shareholders; the possibility that certain tax benefits of our net operating losses may be restricted or reduced in a change in ownership; the potential recognition of valuation allowances on net 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; competition in the industries in which we operate, both from third parties and former employees, which could result in the loss of one or more customers or lead to lower margins on new projects; fluctuations in operating activity due to downturns in levels of construction, seasonality and differing regional economic conditions; and our ability to successfully manage projects, as well as other risk factors discussed in this document and in the Company's annual report on Form 10-K for the year ended September 30, 2016 and in the Company's other reports on file with the SEC. You should understand that such risk factors could cause future outcomes to differ materially from those experienced previously or those expressed in such forward-looking statements. The Company undertakes no obligation to publicly update or revise any information, including information concerning its controlling shareholder, net operating losses, borrowing availability, or cash position, or any forward-looking statements to reflect events or circumstances that may arise after the date of this document. Forward-looking statements are provided in this document pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995 and should be evaluated in the context of the estimates, assumptions, uncertainties, and risks described herein.

Non-GAAP Financial Measures and Other Adjustments

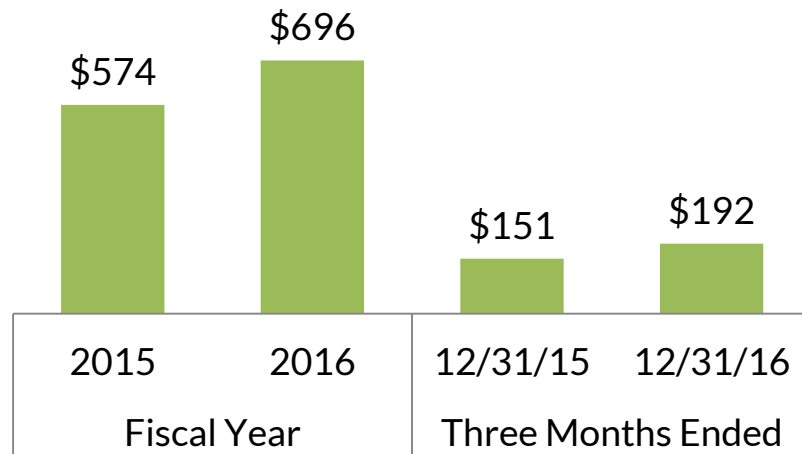
This document includes adjusted net income attributable to IES and, in the non-GAAP reconciliation table included herein, adjusted net income before taxes, both of which are financial measures not calculated in accordance with generally accepted accounting principles in the U.S. ("GAAP"). Management believes that these measures provide useful information to our investors by distinguishing certain noncash events such as our valuation allowances release and certain acquisition and disposition related items, and that, these measures, when reconciled to net income attributable to IES, which is the most directly comparable GAAP measure, help our investors to better identify underlying trends in the operations of our business and facilitate easier comparisons of our financial performance with prior and future periods and to our peers. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information calculated in accordance with GAAP. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures. A reconciliation of these non-GAAP financial measures to GAAP results has been provided in the financial tables included in this document.

General information about IES Holdings, Inc. can be found at <http://www.ies-co.com> under "Investors." 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, 2016, any amendments thereto, and the Company's other reports on file with the SEC. The Company's annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, as well as any amendments to those reports, are available free of charge through the Company's website as soon as reasonably practicable after they are filed with, or furnished to, the SEC.

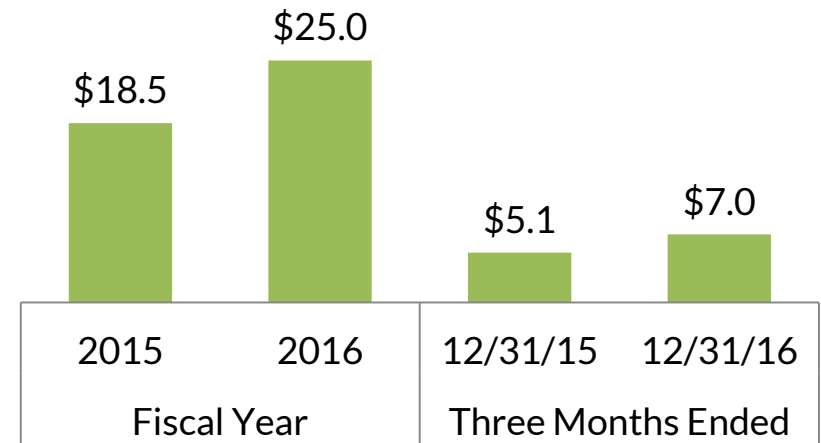
IES Holdings, Inc. (NASDAQ: IESC)

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

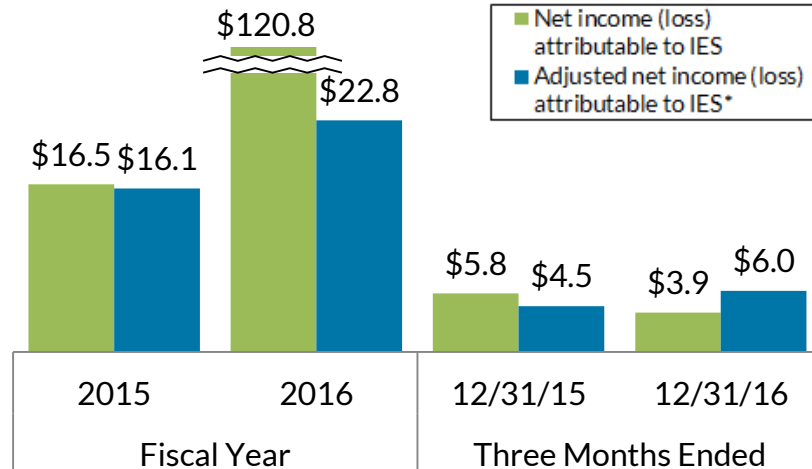
REVENUE



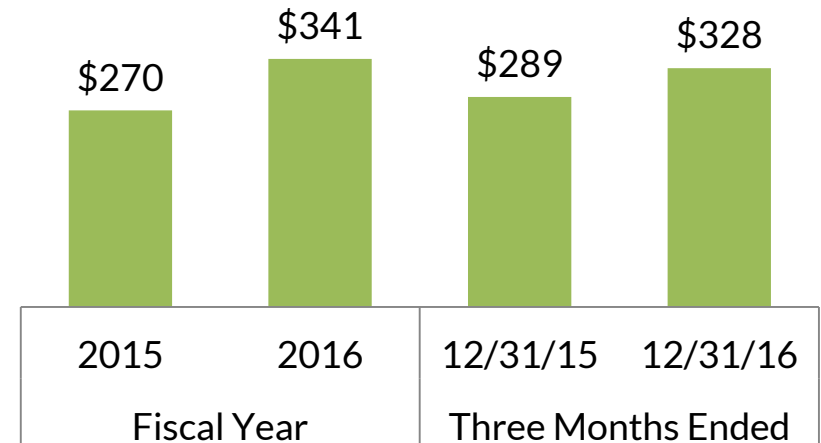
OPERATING INCOME



NET INCOME ATTRIBUTABLE TO IES



BACKLOG



First Quarter 2017 Highlights

◆ Revenue

- \$192.2 million, an increase of 27% compared with the 1st quarter of FY16 (“1Q16”)

◆ Income from Operations

- \$7.0 million, an increase of 37% compared with 1Q16

◆ Earnings

- Net income attributable to IES of \$3.9 million, or \$0.18 per diluted share
- Adjusted net income attributable to IES (a non-GAAP financial measure; see supplemental disclosure table) of \$6.0 million, compared with \$4.5 million for 1Q16

First Quarter 2017 Segment Results

Commercial & Industrial

- ◆ Revenue: \$54.0 million, increase of 19.2% over 1Q16
 - ◆ Operating Profit: \$1.8 million
 - ◆ Operating Margin: 3.3%
-

Communications

- ◆ Revenue: \$53.3 million, increase of 30.8% over 1Q16
 - ◆ Operating Profit: \$2.3 million
 - ◆ Operating Margin: 4.2%
-

Infrastructure Solutions

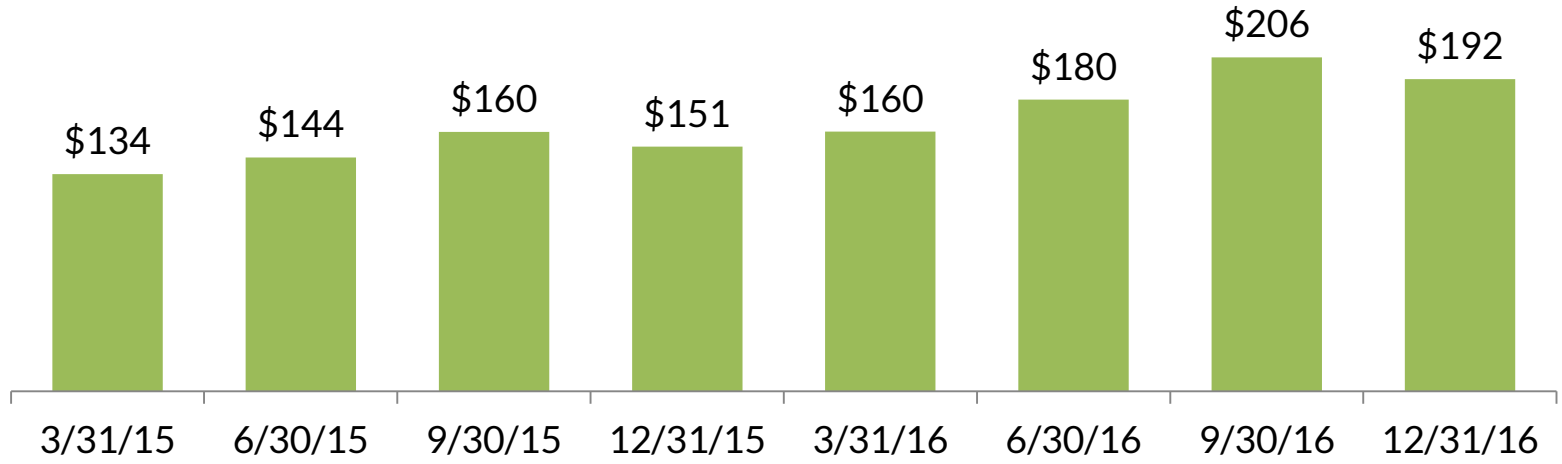
- ◆ Revenue: \$18.5 million, increase of 46.5% over 1Q16
 - ◆ Operating Profit: \$1.3 million
 - ◆ Operating Margin: 6.9%
-

Residential

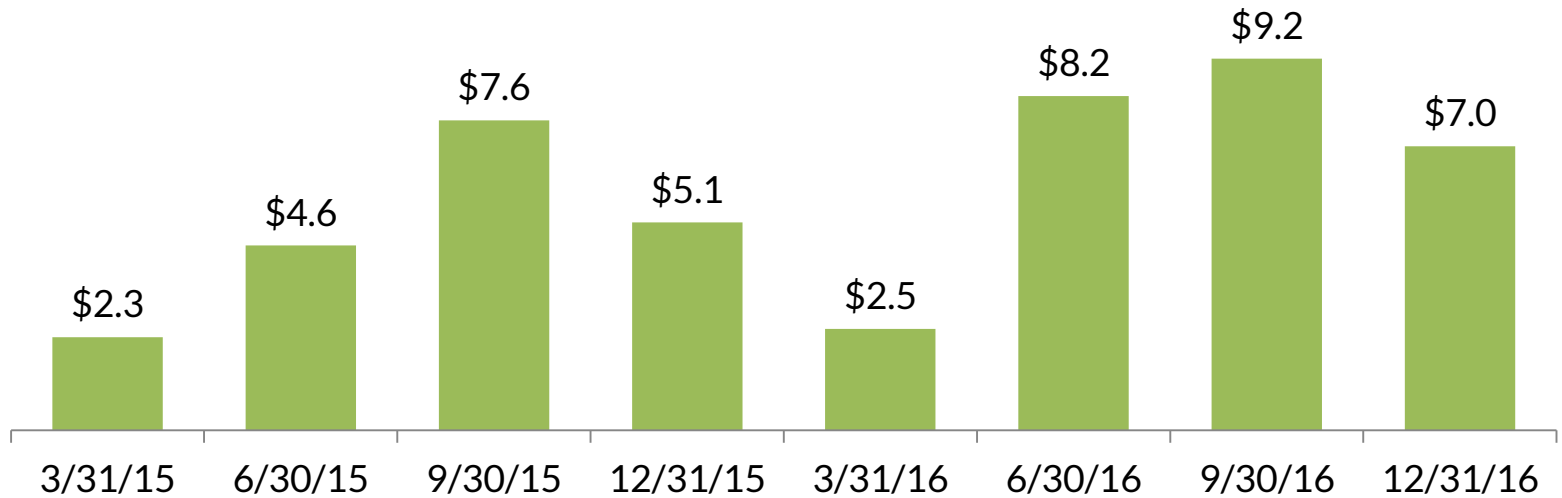
- ◆ Revenue: \$66.4 million, increase of 27.5% over 1Q16
- ◆ Operating Profit: \$5.2 million
- ◆ Operating Margin: 7.8%

Quarterly Financials

Revenue

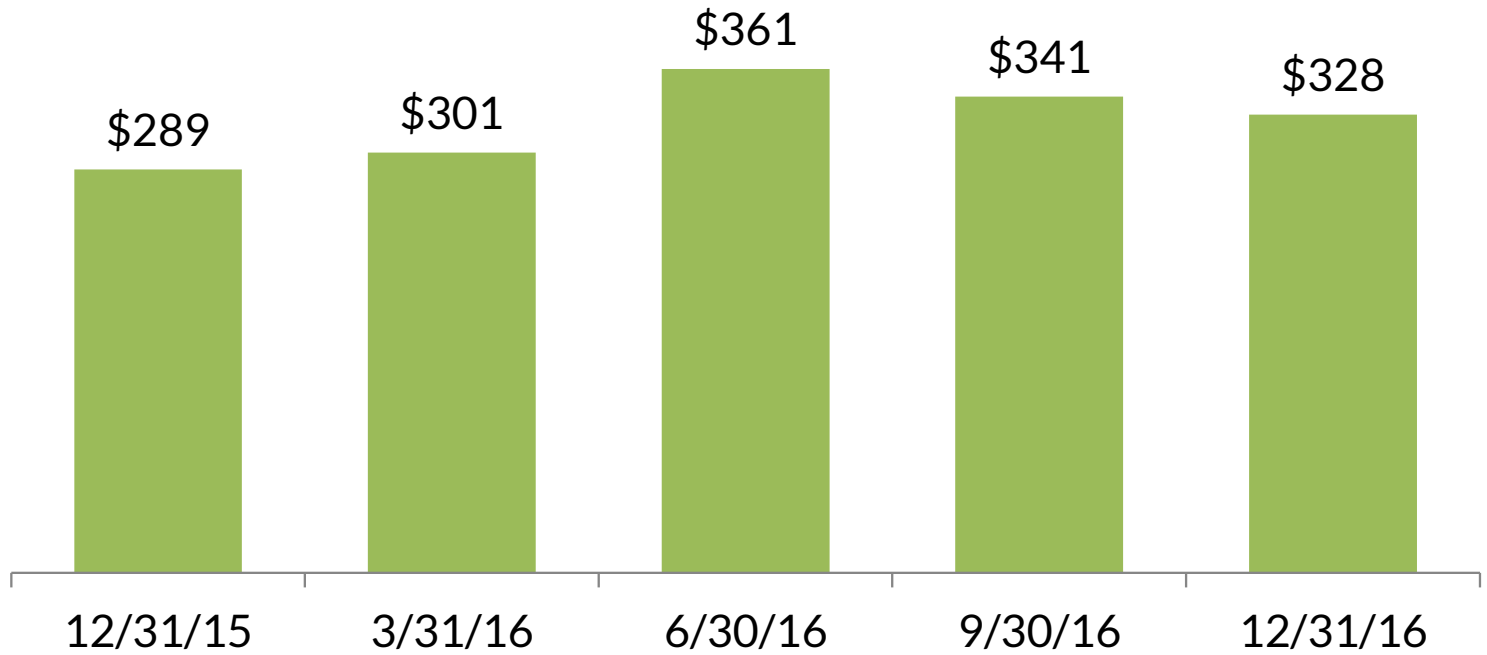


Operating
Income



Backlog as of 12/31/16 is up \$39 million compared to prior year

Quarterly Backlog



Income Statement

(in millions, except earnings per share)

	Three Months Ended December 31,	
	2015	2016
Revenue	\$150.8	\$192.2
Income from operations	5.1	7.0
Interest expense & other	0.3	0.4
Income from operations before income taxes	\$4.9	\$6.6
Provision (benefit) for income taxes	(0.9)	2.6
Net income attributable to noncontrolling interest	-	(0.1)
Net income attributable to IES Holdings, Inc.	\$5.8	\$3.9
<i>Adjusted net income attributable to IES Holdings, Inc.</i> ⁽¹⁾	\$4.5	\$6.0
Earnings per share attributable to IES Holdings, Inc. - continuing operations	\$0.27	\$0.18
Diluted shares used to calculate earnings per share	21.3	21.6

⁽¹⁾ See reconciliation table of non-GAAP adjusted net income attributable to IES Holdings, Inc.

Select Balance Sheet Data

(in millions)	Quarter Ended,		
	12/31/15	9/30/16	12/31/16
Cash	\$46.3	\$33.2	\$25.8
Current Assets	132.2	176.5	183.6
Deferred Tax Assets	-	93.5	91.8
Non-Current Assets	44.6	91.1	90.7
Total Assets	\$223.1	\$394.3	\$392.0
Current Liabilities	\$98.6	\$133.1	\$125.8
Other Liabilities	6.9	6.8	6.8
Debt	10.2	29.3	29.3
Total Liabilities	\$115.7	\$169.1	\$161.9
Noncontrolling interest	-	1.8	1.8
Equity	107.4	223.4	228.2
Total Liabilities & Equity	\$223.1	\$394.3	\$392.0

Segment Results

(in millions)	Three Months Ended December 31,	
	2015	2016
Revenue		
Commercial & Industrial	\$45.3	\$54.0
Communications	40.8	53.3
Infrastructure Solutions	12.6	18.5
Residential	52.1	66.4
Total Revenue	<u>\$150.8</u>	<u>\$192.2</u>
Operating Income		
Commercial & Industrial	\$1.2	\$1.8
Communications	3.4	2.3
Infrastructure Solutions	0.2	1.3
Residential	3.0	5.2
Corporate	(2.7)	(3.5)
Total Operating Income	<u>\$5.1</u>	<u>\$7.0</u>

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

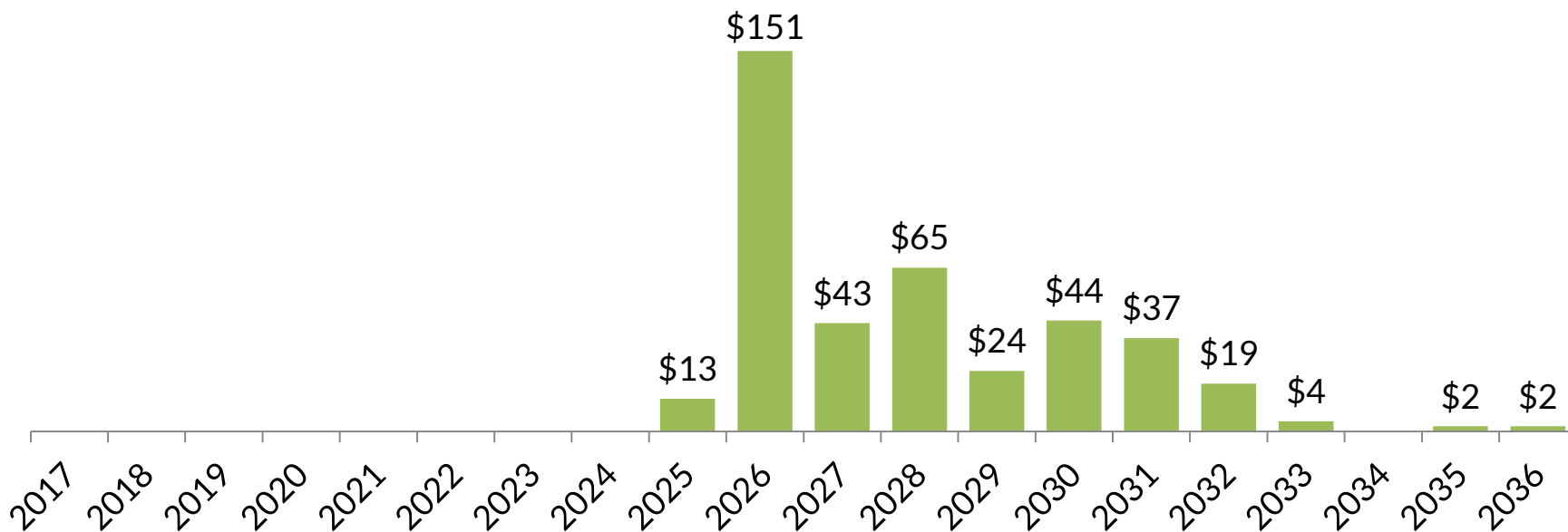
(in millions)	Three Months Ended December 31,	
	2015	2016
Net income attributable to IES Holdings, Inc.	\$5.8	\$3.9
Provision (benefit) for income taxes	(0.9)	2.6
Adjusted net income before taxes	\$4.9	\$6.5
Current tax expense ⁽¹⁾	(0.4)	(0.5)
Adjusted net income attributable to IES Holdings, Inc.	\$4.5	\$6.0

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

NOL Summary

- ◆ Estimated net operating loss carry forwards (“NOLs”) of approximately \$404 million as of September 30, 2016, including \$142 million associated with amortization of personal goodwill
- ◆ Rights Agreement implemented to deter new 5% shareholders in order to prevent certain limitations on NOLs

NOL EXPIRATION SCHEDULE



Note: Assumes no change, limitation or usage of existing NOLs prior to expiration dates