

INTEGRATED ELECTRICAL SERVICES INC

Form S-3/A

May 28, 2013

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As filed with the Securities and Exchange Commission on May 28, 2013

Registration No. 333-186786

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 2 to
Form S-1
on
Form S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

INTEGRATED ELECTRICAL SERVICES, INC.

(Exact Name of Registrant as Specified in its Charter)

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Delaware (State or Other Jurisdiction of	1731 (Primary Standard Industrial	76-0542208 (I.R.S. Employer
Incorporation or Organization)	Classification Code Number) 5433 Westheimer Road, Suite 500	Identification Number)

Houston, Texas 77056

(713) 860-1500

*(Address, including Zip Code, and Telephone Number, including Area Code, of
Registrant's Principal Executive Offices)*

Gail Makode

Senior Vice President, General Counsel and Secretary

5433 Westheimer Road, Suite 500

Houston, Texas 77056

(713) 860-1500

*(Name, Address, including Zip Code, and Telephone Number, including Area
Code, of Agent for Service)*

Copies to:

G. Michael O Leary

Andrews Kurth LLP

600 Travis, Suite 4200

Houston, Texas 77002

(713) 220-4200

Approximate date of commencement of proposed sale to the public: From time to time after this Registration Statement becomes effective.

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If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. x

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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

Large accelerated filer " Accelerated filer "
 Non-accelerated filer x (Do not check if a smaller reporting company) Smaller reporting company "

CALCULATION OF REGISTRATION FEE

Title Of Each Class Of Securities To Be Registered	Amount to be registered ⁽³⁾⁽⁴⁾	Proposed maximum offering price per share ⁽⁵⁾	Proposed maximum aggregate offering price ⁽⁶⁾	Amount of registration fee ⁽⁷⁾
Common Stock, \$0.01 par value per share(1)	8,562,409	(5)	\$42,640,797	\$5,817
Preferred Stock Purchase Rights(1)(2)	8,562,409	N/A	N/A	\$0

- (1) Each share of common stock includes one preferred stock purchase right.
- (2) No separate consideration is payable for the preferred stock purchase rights. The registration fee for these securities is included in the fee for the common stock.
- (3) All of the shares of common stock offered hereby are for the accounts of the selling stockholders named in the prospectus.
- (4) Pursuant to Rule 416(a), the number of shares of common stock being registered shall be adjusted to include any additional shares that may become issuable as a result of any share distribution, split, combination or similar transaction.
- (5) The proposed maximum offering price per share will be determined from time to time by the selling stockholders in connection with, and at the time of, the sale by the selling stockholders of the securities registered hereunder.
- (6) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(c) under the Securities Act of 1933. The price of \$4.98 per share represents the average of the high and low price per share of the registrant's common stock, as reported on the NASDAQ Global Market System on February 13, 2013.
- (7) Registration fee previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated May 28, 2013

PROSPECTUS

Integrated Electrical Services, Inc.

8,562,409 Shares of Common Stock

This prospectus relates to an aggregate of up to 8,562,409 shares of common stock, par value \$0.01 per share, including the associated preferred stock purchase rights, of Integrated Electrical Services, Inc. that may be resold from time to time by the selling stockholders named on page 22 of this prospectus for their own account. These shares are being registered pursuant to a registration rights agreement with the selling stockholders. Pursuant to the registration rights agreement, we have agreed to bear all expenses of the registration of the shares offered hereby, including reasonable fees and expenses of counsel to the selling stockholders, but not including any underwriting fees, discounts or commissions. We will not receive any proceeds from the sale of shares offered by the selling stockholders. See [Selling Stockholders](#) and [Plan of Distribution](#).

The selling stockholders may sell the shares directly to purchasers or through underwriters, broker-dealers or agents, who may receive compensation in the form of commissions, discounts or concessions. The selling stockholders may sell the shares at any time at market prices prevailing at the time of sale, at prices related to such market prices, at fixed prices or prices subject to change or at privately negotiated prices. This prospectus describes the general manner in which the shares may be offered and sold by the selling stockholders, including through ordinary brokerage transactions or by any other means described under [Plan of Distribution](#). If necessary, the specific manner in which the shares may be offered and sold will be described in a supplement to this prospectus. Before investing in our common stock, you should carefully read this prospectus, any applicable prospectus supplement, any information under the headings [Where You Can Find More Information](#) and [Incorporation by Reference](#) and our financial statements.

Our common stock is traded on The NASDAQ Global Market System, or NASDAQ, under the symbol [IESC](#). On May 24, 2013, the last reported sales price of our common stock was \$5.75 per share.

Investing in our common stock involves risks. Please read [Risk Factors](#) beginning on page 15 of this prospectus, including the risk factors incorporated by reference in this prospectus as described in that section, before

investing in our securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Prospectus dated , 2013

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You should rely only on the information contained or incorporated by reference in this prospectus or any accompanying prospectus supplement or free writing prospectus that we or the selling stockholders may authorize to be delivered to you. Neither we nor the selling stockholders have authorized any other person to provide you with different or additional information. If anyone provides you with different or inconsistent information, you should not rely on it.

You should assume that the information appearing in this prospectus, any prospectus supplement, any free writing prospectus and any other document incorporated by reference is accurate only as of the date on the front cover of such document. Our business, financial condition, results of operations and prospects may have changed since the date of such documents. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front of this prospectus.

Neither we nor the selling stockholders are making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or SEC, utilizing a shelf registration, or continuous offering, process. Under this shelf registration process, the selling stockholders may offer from time to time up to 8,562,409 shares of our common stock. If necessary, the specific manner in which the shares may be offered and sold will be described in a supplement to this prospectus or a free writing prospectus. Any prospectus supplement or free writing prospectus may also add, update or change information contained or incorporated by reference in this prospectus. If there is any inconsistency between the information in this prospectus and any prospectus supplement or free writing prospectus, you should rely on the information provided in the prospectus supplement or free writing prospectus. This prospectus does not contain all of the information included in the registration statement. The registration statement filed with the SEC includes exhibits that provide more details about the matters discussed in this prospectus. You should read carefully this prospectus, the related exhibits filed with the SEC and any prospectus supplement or free writing prospectus, together with the additional information described below under the headings [Where You Can Find More Information](#) and [Incorporation by Reference](#).

The rules of the SEC allow us to incorporate by reference certain information into this prospectus and any prospectus supplement. Any information incorporated by reference is considered to be a part of this prospectus and any applicable prospectus supplement. Additional information, including our financial statements and the notes thereto, is incorporated in this prospectus by reference to our reports filed with the SEC. For a complete list of the documents incorporated by reference into this prospectus, see [Incorporation by Reference](#).

Before investing in any of our securities, you should carefully consider the risks and uncertainties described under the heading [Risk Factors](#) in this prospectus and those included in our reports filed with the SEC, which are incorporated by reference in this prospectus, or otherwise included in any applicable prospectus supplement or free writing prospectus. You are urged to carefully read this prospectus and any applicable prospectus supplement or free writing prospectus relating to the shares of common stock offered to you, together with the information and documents described under the headings [Incorporation by Reference](#) and [Where You Can Find More Information](#) of this prospectus and the information and documents incorporated by reference in any applicable prospectus supplement.

References in this prospectus to [IES](#), [Company](#), [we](#), [our](#), [ours](#), [us](#), or like terms refer to Integrated Electrical Services, Inc. and its subsidiaries unless the context otherwise requires. References in this prospectus to the [selling stockholders](#) refer to Tontine Capital Partners, L.P., Tontine Capital Overseas Master Fund, L.P., Tontine Partners, L.P., Tontine Overseas Associates, L.L.C. Tontine Capital Overseas Master Fund II, L.P. and Jeffrey L. Gendell.

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WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement regarding the securities offered hereby. This prospectus does not contain all of the information found in the registration statement. For further information regarding us and the securities offered in this prospectus, you may desire to review the full registration statement, including the exhibits. The registration statement, including the exhibits, may be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Copies of these materials can also be obtained upon written request from the Public Reference Section of the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549 at prescribed rates or from the SEC's web site on the Internet at www.sec.gov. Please call the SEC at 1-800-SEC-0330 for further information on public reference rooms.

We file or furnish annual, quarterly, current and other reports, proxy statements and other information with the SEC. These reports and other information may be inspected and copied at the public reference facilities maintained by the SEC or obtained from the SEC's website as provided above. We make our periodic and other information filed or furnished with the SEC available, free of charge, through our website located at www.ies-corporate.com as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC. Information on our website or any other website is not incorporated by reference into this prospectus and does not constitute a part of this prospectus.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This prospectus and the documents we incorporate by reference herein contain certain statements that may be deemed forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act), all of which are based upon various estimates and assumptions that the Company believes to be reasonable as of the date hereof. These statements can be identified by the use of forward-looking terminology including will, may, believe, expect, anticipate, estimate, continue, or other similar words. These statements discuss future expectations, contain projections of financial condition or of results of operations, or state other forward-looking information. These statements involve risks and uncertainties that could cause our actual results to differ materially from those set forth in such statements. Such risks and uncertainties include, but are not limited to:

fluctuations in operating activity due to downturns in levels of construction, seasonality and differing regional economic conditions;

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;

a general reduction in the demand for our services;

a change in the mix of our customers, contracts and business;

our ability to successfully manage projects;

possibility of errors when estimating revenue and progress to date on percentage-of-completion contracts;

inaccurate estimates used when entering into fixed-priced contracts;

challenges integrating new businesses into the Company or new types of work or new processes into our divisions;

the cost and availability of qualified labor;

accidents resulting from the physical hazards associated with our work and the potential for accidents;

success in transferring, renewing and obtaining electrical and construction licenses;

our ability to pass along increases in the cost of commodities used in our business, in particular, copper, aluminum, steel, fuel and certain plastics;

potential supply chain disruptions due to credit or liquidity problems faced by our suppliers;

loss of key personnel and effective transition of new management;

warranty losses, damages or other latent defect claims in excess of our existing reserves and accruals;

warranty losses or other unexpected liabilities stemming from former divisions which we have sold or closed;

growth in latent defect litigation in states where we provide residential electrical work for home builders not otherwise covered by insurance;

limitations on the availability of sufficient credit or cash flow to fund our working capital needs;

difficulty in fulfilling the covenant terms of our credit facilities;

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;

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increases in bad debt expense and days sales outstanding due to liquidity problems faced by our customers;

changes in the assumptions made regarding future events used to value our stock options and performance-based stock awards;

the recognition of potential goodwill, long-lived assets and other investment impairments;

uncertainties inherent in estimating future operating results, including revenues, operating income or cash flow;

disagreements with taxing authorities with regard to tax positions we have adopted;

the recognition of tax benefits related to uncertain tax positions;

complications associated with the incorporation of new accounting, control and operating procedures;

the financial impact of new or proposed accounting regulations;

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;

credit and capital market conditions, including changes in interest rates that affect the cost of construction financing and mortgages, and the inability for some of our customers to retain sufficient financing which could lead to project delays or cancellations and potentially impede the collectability of our accounts receivable;

the sale or disposition of the shares of our common stock held by our majority shareholder, which, under certain circumstances, would trigger change of control provisions in contracts such as employment agreements and financing and surety arrangements;

additional closures or sales of facilities could result in significant future charges and a significant disruption of our operations;

the successful integration of acquisitions;

the inability to consummate the transactions contemplated by the Agreement and Plan of Merger, dated as of March 13, 2013, by and among IES, MISCOR Group, Ltd., an Indiana corporation ("MISCOR"), and IES Subsidiary Holdings, Inc., a Delaware corporation and a wholly-owned subsidiary of IES ("Merger Sub"), pursuant to which MISCOR will be merged with and into Merger Sub, with Merger Sub surviving as a wholly-owned subsidiary of IES (the "Merger"); and

the inability to achieve, or difficulties and delays in achieving, synergies and cost savings relating to the Merger.

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All readers are cautioned that the forward-looking statements contained in this prospectus are not guarantees of future performance, and our expectations may not be realized or the forward-looking events and circumstances may not occur. Actual results may differ materially from those anticipated or implied in the forward-looking statements due to factors set forth above, under the heading "Risk Factors" in this prospectus, in our periodic filings with the SEC, including those factors described in our most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, that are incorporated by reference into this prospectus, or those factors otherwise included in any applicable prospectus supplement. The forward-looking statements in this prospectus speak only as of the date of this prospectus. We disclaim any obligation to update these forward-looking statements unless required by securities law, and we caution you not to unduly rely on them.

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INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference information into this document. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this prospectus, and the information that we file later with the SEC will automatically update and supersede the previously filed information. We incorporate by reference the documents listed below and any future filings made by us with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, excluding information deemed to be furnished and not filed with the SEC, prior to termination of the offerings under this prospectus:

Annual Report on Form 10-K for the year ended September 30, 2012, filed with the SEC on December 14, 2012 (the Form 10-K);

Quarterly Reports on Form 10-Q for the quarters ended December 31, 2012, filed with the SEC on February 14, 2013, and March 31, 2013, filed with the SEC on May 13, 2013 (together, the Forms 10-Q);

Current Reports on Form 8-K filed with the SEC on October 4, 2012, October 10, 2012, January 28, 2013, February 6, 2013, February 19, 2013, March 13, 2013, and May 2, 2013 (on Form 8-K/A);

Definitive Proxy Statement on Schedule 14A, filed with the SEC on December 28, 2012 (the Proxy Statement); and

the descriptions of our common stock and the preferred share purchase rights that trade with our common stock set forth in our registration statements pursuant to Section 12 of the Exchange Act, including any amendments or reports filed for the purpose of updating such descriptions.

The following information is incorporated by reference into this prospectus:

Information regarding the Company's business, properties, and legal proceedings is hereby incorporated by reference to Part I, Items 1, 2 and 3, respectively, of the Form 10-K and Part II, Items 1 and 5, respectively, of the Forms 10-Q.

Information regarding the market price of and dividends on the Company's common stock, related stockholders matters and securities authorized for issuance under the Company's equity compensation plans is hereby incorporated by reference to Part II, Item 5 of the Form 10-K and Part III, Item 12 of the Form 10-K.

Financial information regarding the Company is hereby incorporated by reference to Part II, Item 8 of the Form 10-K and Part I, Item 1 of the Forms 10-Q.

Selected financial data regarding the Company is hereby incorporated by reference to Part II, Item 6 of the Form 10-K.

Management's discussion and analysis of financial condition and results of operations is hereby incorporated by reference to Part II, Item 7 of the Form 10-K and Part I, Item 2 of the Forms 10-Q.

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Information regarding the Company's changes in and disagreements with accountants on accounting and financial disclosure, if any, is hereby incorporated by reference to Part II, Item 9 of the Form 10-K.

Information regarding qualitative and quantitative disclosures about the Company's market risk is hereby incorporated by reference to Part II, Item 7A of the Form 10-K and Part I, Item 3 of the Forms 10-Q.

Information regarding the Company's directors and executive officers is hereby incorporated by reference to the Proxy Statement, Part III, Item 10 of the Form 10-K and Item 5.02 of the Company's Current Report on Form 8-K filed with the SEC on February 6, 2013.

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Information regarding the Company's executive compensation, corporate governance and compensation committee interlocks and insider participation for the last completed fiscal year is hereby incorporated by reference to the Proxy Statement, Part III, Items 10 and 11 of the Form 10-K and Item 5.02 of the Company's Current Reports on Form 8-K filed with the SEC on October 4, 2012 and February 6, 2013.

Information regarding the security ownership of certain beneficial owners of the Company's common stock and management is hereby incorporated by reference to the Proxy Statement and Part III, Item 12 of the Form 10-K.

Information regarding the Company's relationships and related party transactions is hereby incorporated by reference to the Proxy Statement, Part III, Item 10 of the Form 10-K and Part II, Item 5 of the Forms 10-Q.

Any statement contained in a document incorporated by reference in this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any other subsequently filed document that also is incorporated by reference in this prospectus modifies or supersedes that statement. Any statement that is modified or superseded will not constitute a part of this prospectus, except as modified or superseded.

We will provide to each person, including any beneficial owner, to whom a prospectus is delivered, a copy of these filings, other than an exhibit to these filings unless we have specifically incorporated that exhibit by reference into the filing, upon written or oral request and at no cost. Requests should be made by writing or telephoning us at the following address:

Integrated Electrical Services, Inc.

5433 Westheimer Road, Suite 500

Houston, Texas 77056

(713) 860-1500

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PROSPECTUS SUMMARY

*This summary provides a brief overview of information contained elsewhere in this prospectus. Because it is abbreviated, this summary does not contain all of the information that you should consider before investing in our common stock. You should read the entire prospectus carefully, including the financial statements and related notes incorporated by reference herein. You should read *Risk Factors* beginning on page 15 of this prospectus for more information about important risks that you should consider carefully before investing in these securities.*

Overview of Our Services

We are a leading provider of infrastructure services to the residential, commercial and industrial industries as well as for data centers and other mission critical environments. We operate primarily in the electrical infrastructure markets, with a corporate focus on expanding into other markets through strategic acquisitions or investments. Originally established as IES in 1997, we are a Delaware corporation providing services from our 56 domestic locations as of March 31, 2013. We are headquartered in Houston, Texas and maintain an executive office in Greenwich, Connecticut. Our operations are organized into three principal business segments, based upon the nature of our current products and services:

Communications Nationwide provider of products and services for mission critical infrastructure, such as data centers, of large corporations.

Residential Regional provider of electrical installation services for single-family housing and multi-family apartment complexes.

Commercial & Industrial Provider of electrical 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.

Corporate Strategy

We seek to create shareholder value through positive returns on capital and generation of free cash flow. In addition, we seek to acquire or invest in similar stand-alone platform companies based in North America or acquire businesses that strategically fit within our existing business segments. In evaluating potential acquisition candidates, we seek to invest in businesses with, among other characteristics:

Significant market share in niche industries and low technological and/or product obsolescence risk;

Proven management with a willingness to continue post acquisition;

Established market position and sustainable advantage;

High returns on invested capital; and

Strong cash flow characteristics.

We believe that acquisitions provide an opportunity to expand into new end markets and diversify our revenue and profit streams. Further, by acquiring businesses with strong cash flow characteristics we expect to maximize the value of our significant net operating loss carry forwards, as described below. While we may use acquisitions to build our presence in the electrical infrastructure industry, we will also consider potential acquisitions in other industries, which could result in changes in our operations from those historically conducted by us.

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Net Operating Loss Carry Forwards

IES and certain of its subsidiaries have federal net operating loss carry forwards (NOLs) of approximately \$452 million at September 30, 2012, including approximately \$139 million resulting from the additional amortization of goodwill. A change in ownership, as defined by Internal Revenue Code Section 382, could reduce the availability of net operating losses for federal and state income tax purposes. Should Tontine Capital Partners, L.P. and its affiliates, including the selling stockholders (collectively, Tontine), IES controlling shareholder, sell or exchange all or a portion of its position in IES, a change in ownership could occur. In addition a change in ownership could result from the purchase of common stock by an existing or a new 5% shareholder as defined by Internal Revenue Code Section 382. Should a change in ownership occur, all net operating losses incurred prior to the change in ownership would be subject to limitation imposed by Internal Revenue Code Section 382, which would substantially reduce the amount of NOLs currently available to offset taxable income. For more information on IES NOLs and the Rights Agreement adopted by the IES Board of Directors, see Description of Capital Stock Rights Agreement beginning on page 30.

Industry Overview

The residential, industrial, mission critical infrastructure and commercial industries 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, 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) increased emphasis on environmental and energy efficiency, which may lead to both increased public and private spending, and (iv) the low price of natural gas combined with an increase in domestic oil and gas output, which is expected to spur the construction of and modifications to heavy industrial facilities.

Operating Segments

Communications

Originally established in 1984, our Communications segment is a leading provider of network infrastructure products and services for data centers and other mission critical environments. Services offered include the design, installation and maintenance of network infrastructure for the financial, medical, hospitality, government, high-tech manufacturing, educational and information technology industries. We also provide the design and installation of audio/visual, telephone, fire, wireless and intrusion alarm systems as well as design/build, service and maintenance of data network systems. A significant portion of our Communications revenue is generated from long-term, repeat customers, some of whom use IES as a preferred provider for major projects. We perform services across the United States from our ten offices, which includes our Communications headquarters located in Tempe, Arizona, allowing dedicated onsite maintenance teams at our customers sites. In 2010, our Communications segment was separated from our Commercial & Industrial segment to form a new operating segment. The decision to report Communications as a separate segment was made as the Company changed its internal reporting structure and the segment gained greater significance as a percentage of consolidated revenues, gross profit and operating income. Moreover, the Communications segment was identified as a separate and specific part of future strategic growth plans of the Company.

We primarily specialize in installations of communication systems, and site and national account support for the mission critical infrastructure of Fortune 500 corporations. Our sales strategy relies on a concentrated business development effort, with centralized corporate 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.

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Our long-term strategy is to improve our position as a preferred mission critical 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 onsite maintenance and recurring revenue model.

Residential

Our Residential business provides electrical installation services for single-family housing and multi-family apartment complexes and CATV cabling installations for residential and light commercial applications. In addition to our core electrical construction work, the Residential segment also provides services for the installation of residential solar power, smart meters, and electric car charging stations, both for new construction and existing residences. The Residential division is made up of 28 total locations, which includes the headquarters in Houston. These division locations geographically cover Texas, the Sun-Belt, and the Western and Mid-Atlantic regions of the United States, including Hawaii.

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 throughout the Sun-Belt, Mid-Atlantic and western regions of the United States, the majority of our segment revenues are derived from services provided in the state of Texas. Our sales efforts include a variety of strategies, including a concentrated focus on national homebuilders and multi-family developers and a local sales strategy for single and multi-family housing projects. Our cable, solar and electric car charging station revenues are typically generated through industry-specific third parties to which we act as a preferred provider of installation services.

Our long-term strategy is to continue to be the leading national provider of electrical services to the residential market. Although the key elements of our long-term strategy include a continued focus on maintaining a low and variable cost structure and cash generation, during the housing downturn we modified our strategy by expanding into markets less exposed to national building cycles, such as solar panel and electric car charging installations. As we begin to experience increased activity in the residential sector, we are prepared to increase our scale to support an increase in activity.

Commercial & Industrial

Our Commercial & Industrial segment is one of the largest providers of electrical contracting services in the United States. The division offers a broad range of electrical design, construction, renovation, engineering and maintenance services to the commercial and industrial markets. The Commercial & Industrial division consists of 18 total locations, which includes the division headquarters in Houston, Texas. These locations geographically cover Texas, Nebraska, Colorado, Oregon and the Mid-Atlantic region.

Services include the design of electrical systems within a building or complex and procurement and installation of wiring and connection to power sources, end-use equipment and fixtures, as well as contract maintenance. We focus on projects that require special expertise, such as design-and-build projects that utilize the capabilities of our in-house experts, or projects which require specific market expertise, such as transmission and distribution projects. We also focus on service, maintenance and certain renovation and upgrade work, which tends to be either recurring or have lower sensitivity to economic cycles, or both. We provide services for a variety of projects, including: office buildings, manufacturing facilities, data centers, chemical plants, refineries, wind farms, solar facilities and municipal infrastructure and health care facilities. Our utility services consist of overhead and underground installation and maintenance of electrical and other utilities transmission and distribution networks, installation and splicing of high-voltage transmission and distribution lines, substation construction and substation and right-of-way maintenance. Our maintenance services generally provide recurring revenues that are typically less affected by levels of construction activity. Service and maintenance revenues are

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derived from service calls and routine maintenance contracts, which tend to be recurring and less sensitive to short-term economic fluctuations.

Demand for our Commercial & Industrial services is driven by construction and renovation activity levels, economic growth, and availability of bank lending. Certain of our industrial projects have longer cycle times than our typical Commercial & Industrial services and may follow the economic trends with a lag. Our sales focus varies by location, but is primarily based upon regional and local relationships with general contractors and a demonstrated expertise in certain industries, such as transmission and distribution.

Our long-term strategy has been modified over the past two years due to the downturn in the construction industry. Our long-term strategy is to be the preferred provider of electrical services in the markets where we have demonstrated expertise or are a local market leader. Key elements of our long-term strategy include leveraging our expertise in certain niche markets, expansion of our service and maintenance business and maintaining our focus on our returns on risk adjusted capital.

How You Can Contact Us

Our principal executive offices are located at 5433 Westheimer Road, Suite 500, Houston, Texas 77056, and our telephone number is (713) 860-1500. Our website is located at www.ies-corporate.com. Information on our website or any other website is not incorporated by reference into this prospectus and does not constitute a part of this prospectus.

The Offering

Selling stockholders

One or more selling stockholders. For more information see Selling Stockholders beginning on page 21. We are not selling any of the shares of common stock offered under this prospectus or any prospectus supplement.

Common stock offered by the selling stockholders 8,562,409 shares.

Common stock outstanding(1) 15,105,846 shares. The number of shares of common stock outstanding will not change as a result of this offering.

Use of proceeds We will not receive any proceeds from the sale of shares of common stock by the selling stockholders.

NASDAQ Global Select Market symbol IESC.

Dividend policy We have never paid cash dividends on our common stock, and we do not anticipate paying cash dividends on our common stock in the foreseeable future.

Risk factors

Investing in our common stock involves risks. See [Risk Factors](#) for a discussion of certain factors you should consider in evaluating whether or not to invest in our common stock.

- (1) The number of shares to be outstanding after the offering is based on 15,105,846 shares of common stock outstanding as of March 31, 2013.

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Recent Developments

Merger Agreement

On March 13, 2013, IES and MISCOR Group, Ltd., an Indiana corporation (MISCOR), announced that they have entered into a definitive agreement pursuant to which IES will acquire 100% of the common stock of MISCOR in a stock and cash transaction. IES, MISCOR and IES Subsidiary Holdings, Inc., a Delaware corporation and a wholly-owned subsidiary of IES (Merger Sub), have entered into an Agreement and Plan of Merger, dated March 13, 2013 (the Merger Agreement), pursuant to which MISCOR will be merged with and into Merger Sub, with Merger Sub surviving as a wholly-owned subsidiary of IES (the Merger).

On the terms and subject to the conditions set forth in the Merger Agreement, at the effective time of the Merger, each issued and outstanding share of MISCOR common stock, no par value (MISCOR common stock), will convert into the right to receive merger consideration (the Merger Consideration) comprised of, at the election of the holder, either:

a per share dollar amount, which amount shall not be less than \$1.415 per share (the Cash Consideration), equal to the quotient obtained by dividing (x) the difference between \$24.0 million and the amount of MISCOR's Net Debt (as defined in the Merger Agreement) by (y) the number of shares of MISCOR common stock outstanding as of the fifteenth business day prior to the closing date of the Merger, including shares issuable upon the exercise of outstanding options and warrants; or

a number of shares of IES common stock (the Stock Consideration) equal to a fraction (the Exchange Ratio), the numerator of which is the Cash Consideration and the denominator of which is the volume-weighted average of the sale prices per share of IES common stock (the VWAP) for the 60 consecutive trading days ending with the fifteenth business day prior to the closing date of the Merger (the IES Common Stock Value); *provided, however*, that if the IES Common Stock Value is less than \$4.024 per share or greater than \$6.036 per share, then the IES Common Stock Value will be \$4.024 per share or \$6.036 per share, respectively.

MISCOR stockholders have the right to elect to receive all Cash Consideration, all Stock Consideration or a mix of Cash Consideration and Stock Consideration, *provided, however*, that the aggregate Cash Consideration to be paid in connection with the Merger shall not exceed a threshold (the Maximum Cash Amount) equal to the product obtained by multiplying (x) the Cash Consideration by (y) 50% of the number of shares of MISCOR common stock outstanding immediately prior to the effective time of the Merger. If the aggregate amount of cash that would be paid upon conversion of the shares of MISCOR common stock for which MISCOR stockholders elect to receive Cash Consideration (the Cash Election Shares) is greater than the Maximum Cash Amount, then the exchange agent shall select from among the Cash Election Shares, by a pro rata selection process, a sufficient number of shares (the Stock Designation Shares) such that the aggregate amount of cash that will be paid in the Merger in respect of the Cash Election Shares that are not Stock Designation Shares equals as closely as practicable the Maximum Cash Amount, and the Stock Designation Shares shall be converted into the right to receive the Stock Consideration. Any MISCOR stockholder that does not make an election with respect to such holder's MISCOR common stock shall be deemed to have elected to receive the Stock Consideration.

Pursuant to the Merger Agreement, immediately prior to the effective time of the Merger, each outstanding share of MISCOR restricted stock will automatically vest and the holder thereof shall be entitled to receive the Merger Consideration. Additionally, all options to purchase MISCOR common stock, whether vested or unvested, will be exercisable in full for a period of time prior to the Merger at their exercise price. Any such options not exercised within the prescribed period will be cancelled and the holder thereof will not be eligible to receive the Merger Consideration.

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MISCOR shareholders who are dissatisfied with the Merger Consideration will be able to seek appraisal of the fair value of their shares of MISCOR common stock under the Indiana Business Corporation Law (the IBCL). A MISCOR shareholder who delivers to MISCOR, before the vote is taken at the MISCOR special meeting of shareholders, written notice of the shareholder's intent to demand payment in cash for shares owned if the Merger is effectuated and does not vote the shareholder's shares in favor of the Merger will not receive the Merger Consideration. The shareholder will instead be entitled to assert dissenters' rights and seek an appraisal of its shares, unless the shareholder fails to take the steps prescribed by Chapter 44 of the IBCL to perfect such shareholder's dissenters' rights. Upon consummation of the Merger and receipt of a payment demand, former MISCOR shareholders who have complied with all statutory requirements will be paid the fair value of the shares as of the time immediately before the Merger.

Completion of the Merger is subject to certain conditions, including, but not limited to: (1) approval by IES stockholders of the issuance of IES common stock as consideration for the Merger; (2) adoption of the Merger Agreement by the MISCOR stockholders; (3) the holders of fifty percent (50%) or more of all of the issued and outstanding shares of MISCOR common stock entitled to vote, and not held by certain affiliates of MISCOR (as described in the Merger Agreement), not having voted against adoption of the Merger Agreement (the MISCOR Minority Approval); (4) the holders of fifty percent (50%) or more of all of the issued and outstanding shares of IES common stock entitled to vote, and not held by certain affiliates of IES (as described in the Merger Agreement), not having voted against adoption of the Merger Agreement (the IES Minority Approval); (5) no person (subject to certain exceptions set forth in the Merger Agreement) shall, in the reasonable determination of the IES Board of Directors, become an Acquiring Person (as defined in the Tax Benefit Protection Plan Agreement, dated as of January 28, 2013, between IES and American Stock Transfer & Trust Company, LLC, as Rights Agent) as a result of the Merger; (6) effectiveness of a registration statement on Form S-4 relating to the IES common stock to be issued as consideration for the Merger and approval of the listing of such shares on the NASDAQ Global Select Market; (7) the holders of not more than 5% of the shares of MISCOR common stock having sought appraisal; (8) the parties having agreed to the calculation of Net Debt; (9) MISCOR having received an opinion from its tax counsel as to the effect that, for United States federal income tax purposes, the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code; (10) the absence of legal impediments prohibiting the transaction; (11) receipt of applicable regulatory approvals; and (12) other customary closing conditions.

The parties have made certain customary representations, warranties and covenants in the Merger Agreement. Each of IES and MISCOR is required, among other things, subject to certain exceptions, to conduct its business in the ordinary course in all material respects and not to engage in certain activities during the interim period between the execution of the Merger Agreement and the consummation of the Merger. In addition, the Merger Agreement contains covenants that require each of IES and MISCOR to call and hold special stockholder meetings and, subject to certain exceptions, requires the Board of Directors of IES to recommend to the IES stockholders the approval of the issuance of IES common stock as consideration for the Merger and requires the board of directors of MISCOR to recommend to the MISCOR stockholders the adoption of the Merger Agreement.

The Merger Agreement prohibits MISCOR from s