

IES Holdings sees more boom than bust as pandemic spurs ecommerce, remote work

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When so many others shut down, IES Holdings' employees kept trucking. The electrical contracting company, headquartered in Houston's Uptown neighborhood, saw more boom than bust in 2020 as people continued to work from home.

Revenue jumped to \$1.2 billion in 2020, a 10.9 percent jump from of \$1.1 billion in 2019.

Even with a strong showing, landing third on the Chronicle's Top 100 list of best-performing public companies, CEO Jeffrey Gendell is still "cautiously optimistic" about where the company stands moving forward.

"We're very cognizant to things like price increases," Gendell said. "Copper and steel have gone up; a lot of materials have gone up. And then with labor, we're going to be very careful."

IES Holdings, founded in 1997 as Integrated Electrical Services Inc., provides services including electrical contracting and data communications for residential and commercial construction in 40 states. With workers making the switch to remote jobs, residential real estate and telecommunications work for data centers drove up demand for the contractors' services. A sharp spike in e-commerce also helped, as companies sought to build distribution centers to handle retail demand.

The company made inroads in Florida, acquiring Bayonet Plumbing, Heating and Air-Conditioning in December and Edmonson Electric in May. Texas and Florida are two of the companies' fastest growing markets, said Tracy McLauchlin, IES Holdings' chief financial officer.

"We're seeing a lot of population increases from people moving into those states," she said, "and it's creating a lot of opportunity for us."

Investors clearly like those opportunities. The company's earnings per share jumped 31 percent from 2019 to 2020.

February's winter storm, which caused massive blackouts across the state, affected IES' operations. The storm forced most of its branches to lose a week of work, but the company has since caught up, McLauchlin said.

Employment at IES Holdings fell slightly during the pandemic, to 5,229 from 5,389 in 2019, but the company expects staffing levels to incrementally increase this year.

"We do have quite the demand, especially on the construction side, growing for the business," Gendell said.