

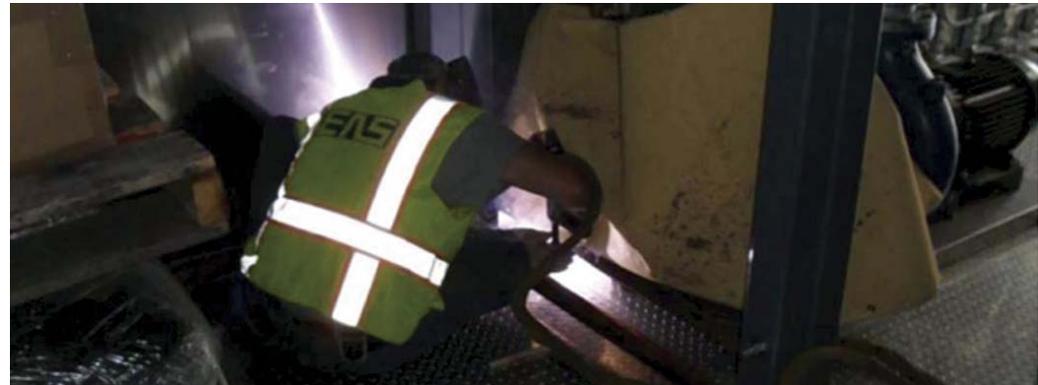


Quality People. Building Solutions.

Comfort Systems USA

(NYSE: FIX)

November 13, 2012



Disclosures

Safe Harbor

Certain statements and information in this presentation may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words “believe,” “expect,” “anticipate,” “plan,” “intend,” “foresee,” “should,” “would,” “could,” or other similar expressions are intended to identify forward-looking statements, which are generally not historic in nature. These forward-looking statements are based on the current expectations and beliefs of Comfort Systems USA, Inc. and its subsidiaries (collectively, the “Company”) concerning future developments and their effect on the Company. While the Company’s management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting the Company will be those that it anticipates. All comments concerning the Company’s expectations for future revenues and operating results are based on the Company’s forecasts for its existing operations and do not include the potential impact of any future acquisitions. The Company’s forward-looking statements involve significant risks and uncertainties (some of which are beyond the Company’s control) and assumptions that could cause actual future results to differ materially from the Company’s historical experience and its present expectations or projections.

Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to: the use of incorrect estimates for bidding a fixed-price contract; undertaking contractual commitments that exceed the Company’s labor resources; failing to perform contractual obligations efficiently enough to maintain profitability; national or regional weakness in construction activity and economic conditions; financial difficulties affecting projects, vendors, customers, or subcontractors; the Company’s backlog failing to translate into actual revenue or profits; difficulty in obtaining or increased costs associated with bonding and insurance; impairment to goodwill; errors in the Company’s percentage-of-completion method of accounting; the result of competition in the Company’s markets; the Company’s decentralized management structure; material failure to comply with varying state and local laws, regulations or requirements; debarment from bidding on or performing government contracts; shortages of labor and specialty building materials; retention of key management; seasonal fluctuations in the demand for HVAC systems; the imposition of past and future liability from environmental, safety, and health regulations including the inherent risk associated with self-insurance; adverse litigation results; and other risks detailed in our reports filed with the Securities and Exchange Commission.

For additional information regarding known material factors that could cause the Company’s results to differ from its projected results, please see its filings with the SEC, including its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events, or otherwise.

Non-GAAP Measures

Certain measures in this presentation are not measures calculated in accordance with generally accepted accounting principles (GAAP). They should not be considered a replacement for GAAP results. Non-GAAP financial measures appearing in these slides are identified in the footnote. See the Appendices for a reconciliation of these non-GAAP measures to the most comparable GAAP financial measures.

Comfort Systems USA Overview

Who We Are

- Leading HVAC and mechanical systems installation and service provider
- Focused on commercial, industrial, and institutional HVAC markets

What We Do

Applied Systems



Piping



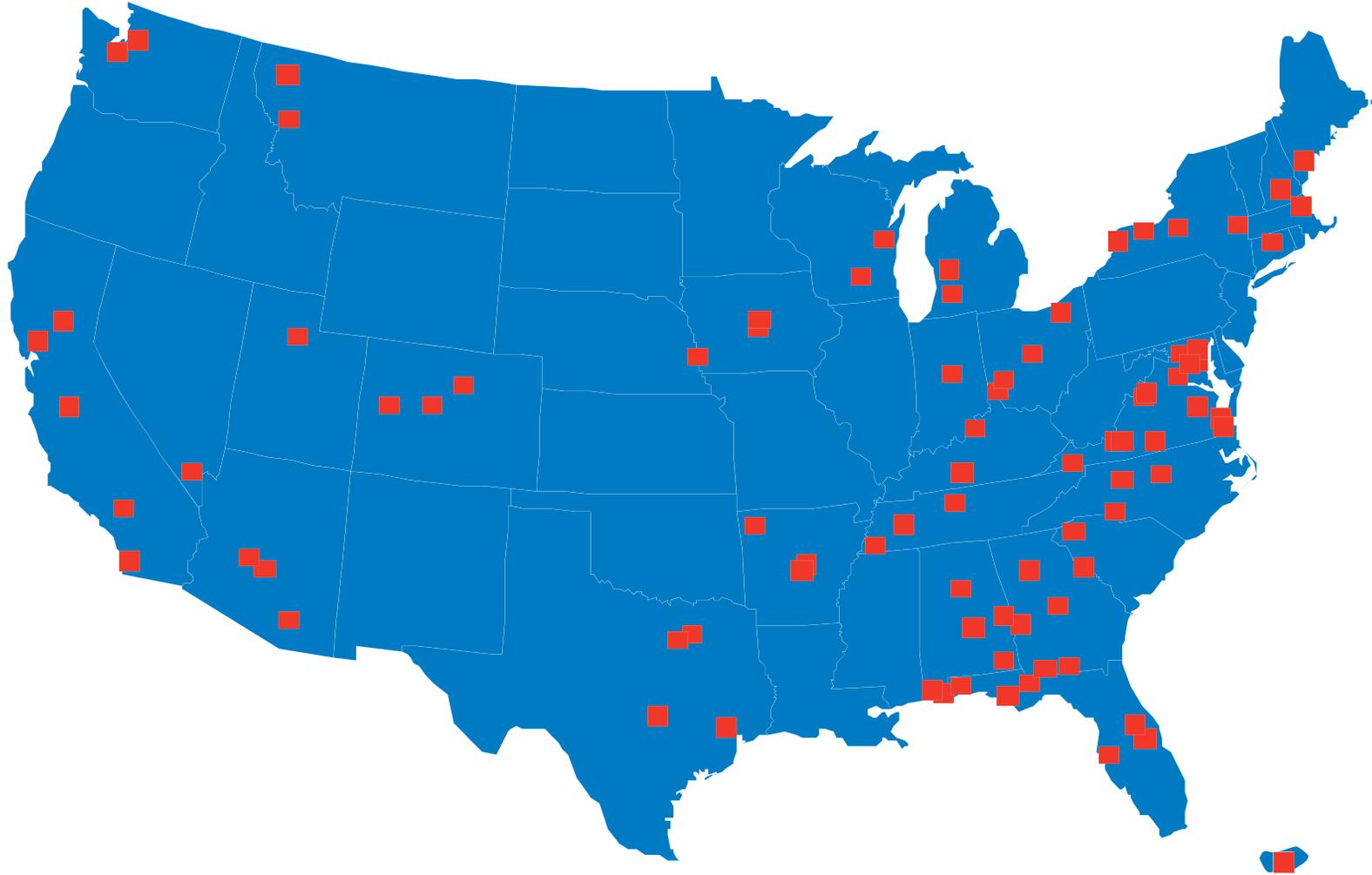
Retrofit



Service



Broad Nationwide Footprint



37 companies | 87 locations in 72 cities | 6,700+ employees

Our Customers



*Omni Orlando Resort at ChampionsGate
Orlando, Florida*



*Navy Federal Credit Union
Pensacola, Florida*



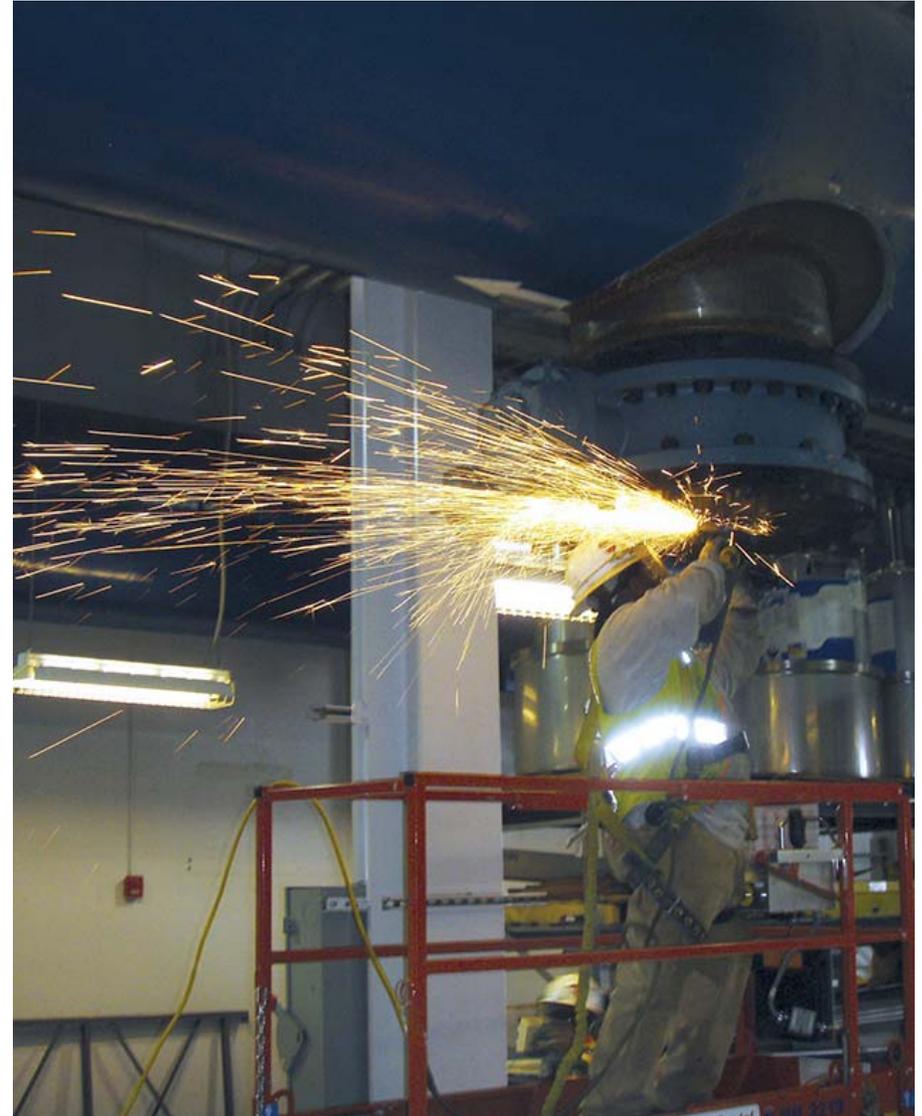
*MedImmune FMC Expansion
Frederick, Maryland*



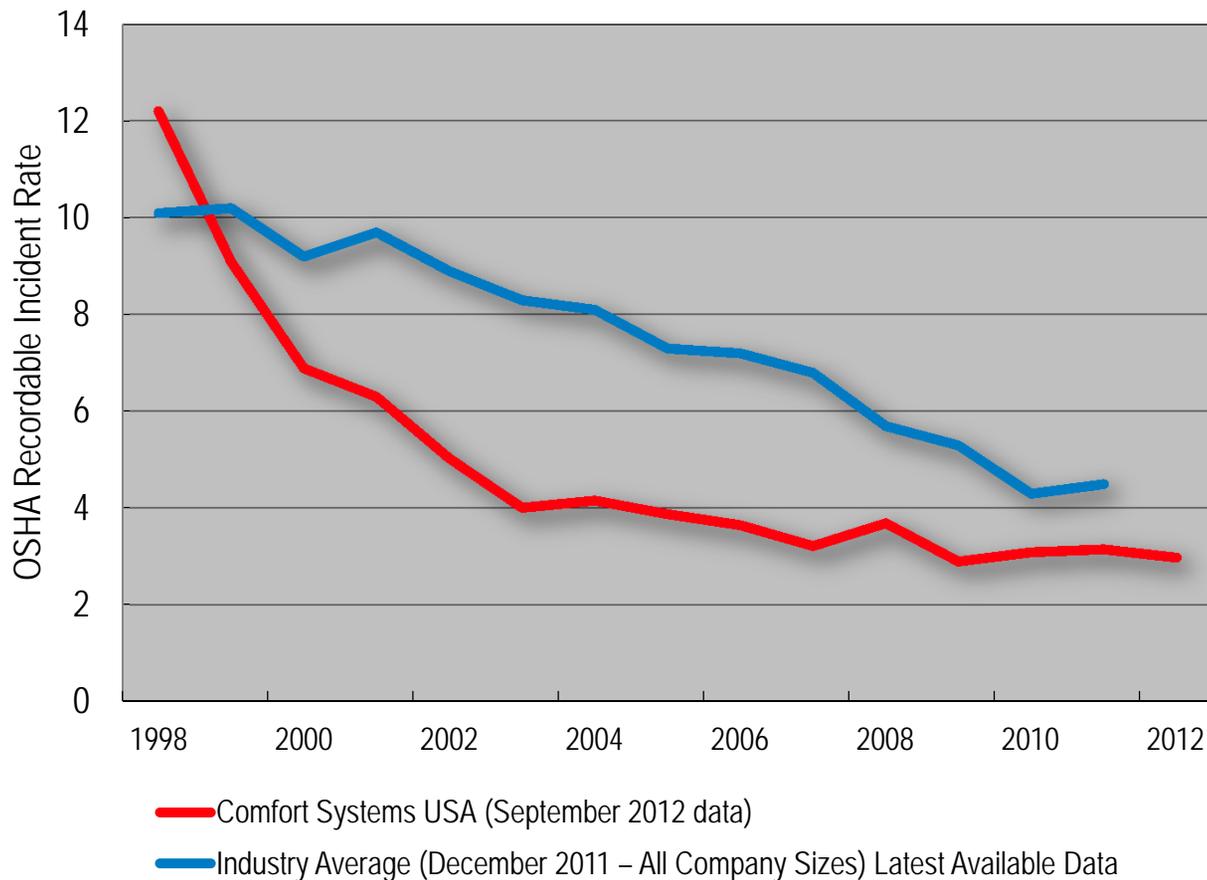
*University Hospital
Little Rock, Arkansas*

Areas of Strength

- Long-term local relationships
- Collaboration
- Safety excellence
- Purchasing economics
- National service capability
- Bonding and insurance
- Balance sheet strength



Our Safety Record is No Accident



Lost Time Injury Rate

73% below the industry average

OSHA Incident Rate

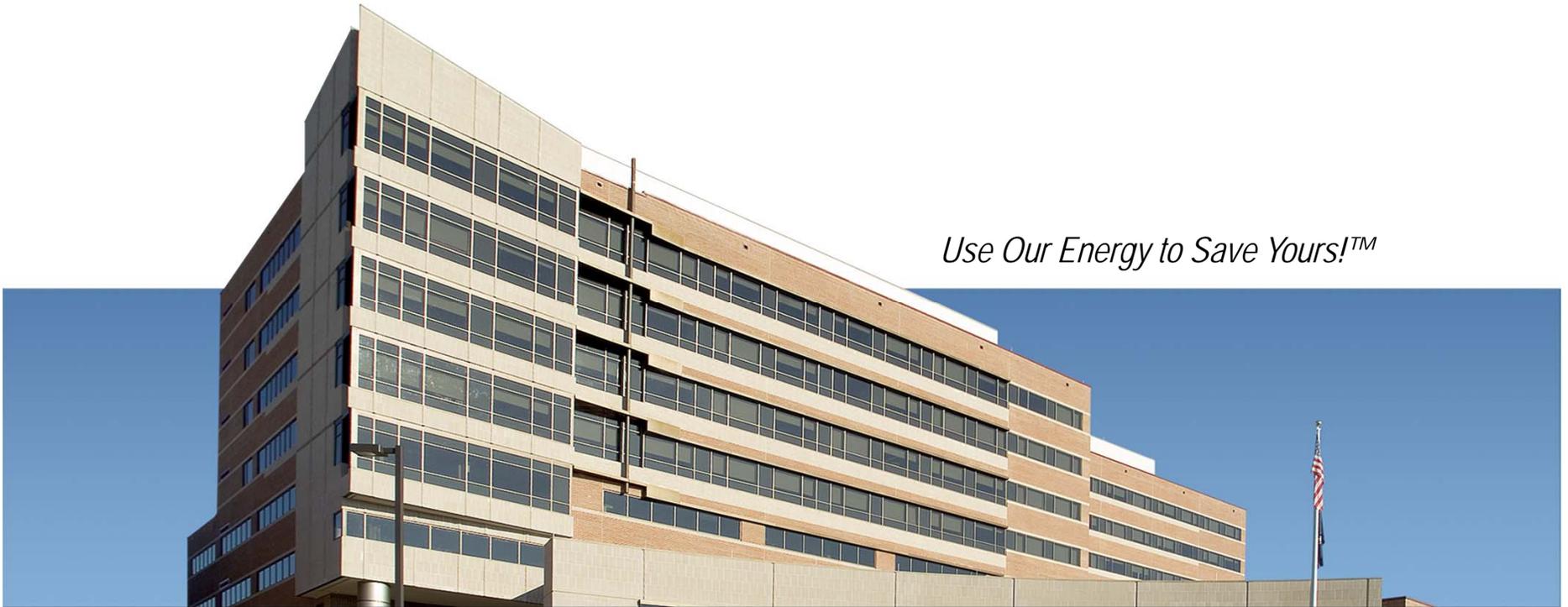
34% below the industry average

Source: Bureau of Labor Statistics, Standard Industry Classification (SIC)
Code 20 1711– Specialty Trades Contractors – HVAC and Plumbing & North American Industry Classification System (NAICS) Code 23822

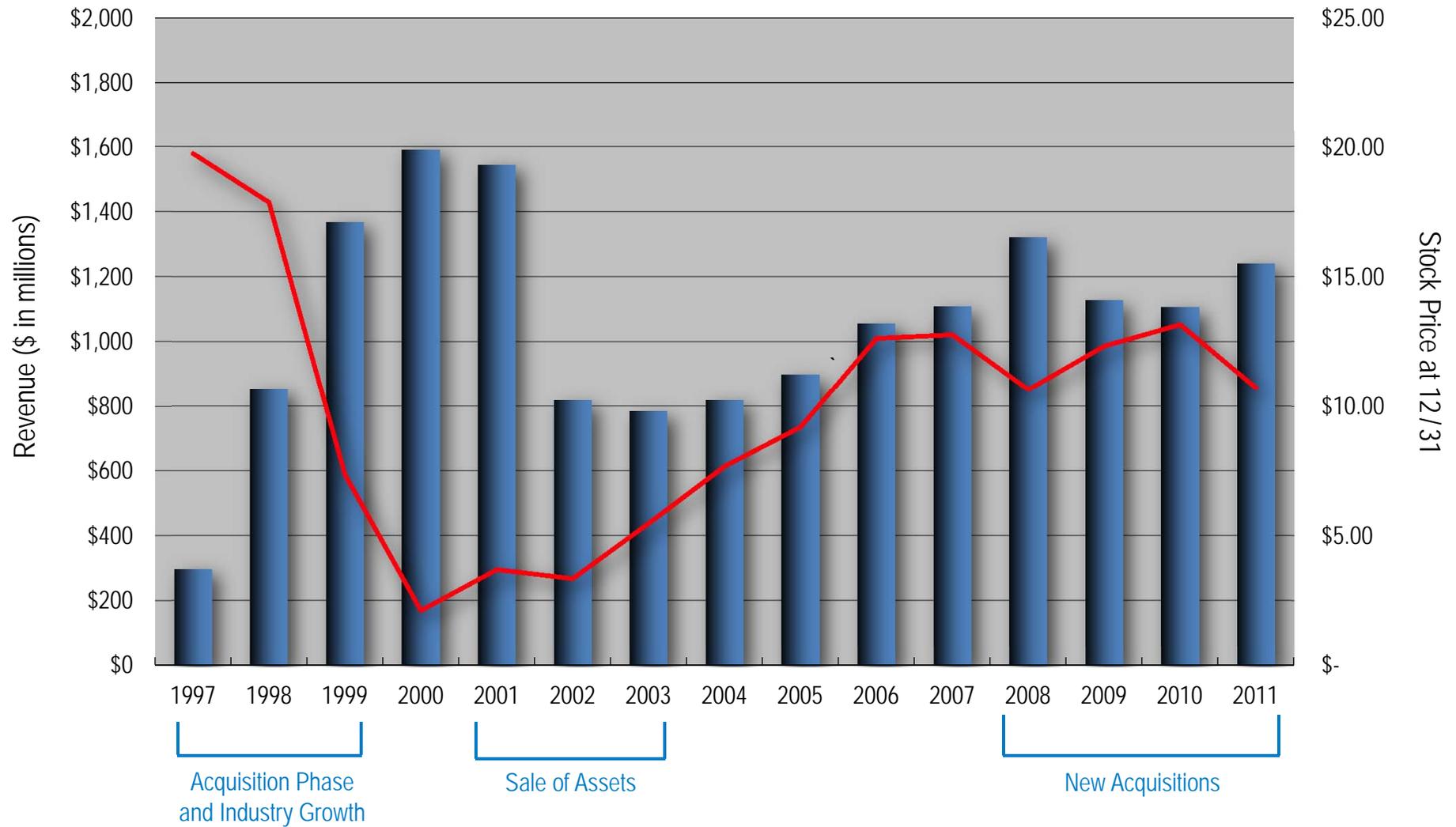
Energy Efficiency

- Energy costs drive the need for efficiency.
- HVAC accounts for 30%–50% of electricity usage.
- Energy Star (Department of Energy/EPA)/LEED (USGBC).
- 2–4 year payouts depending on electric rates, usage, age, and incentives.

Use Our Energy to Save Yours!™

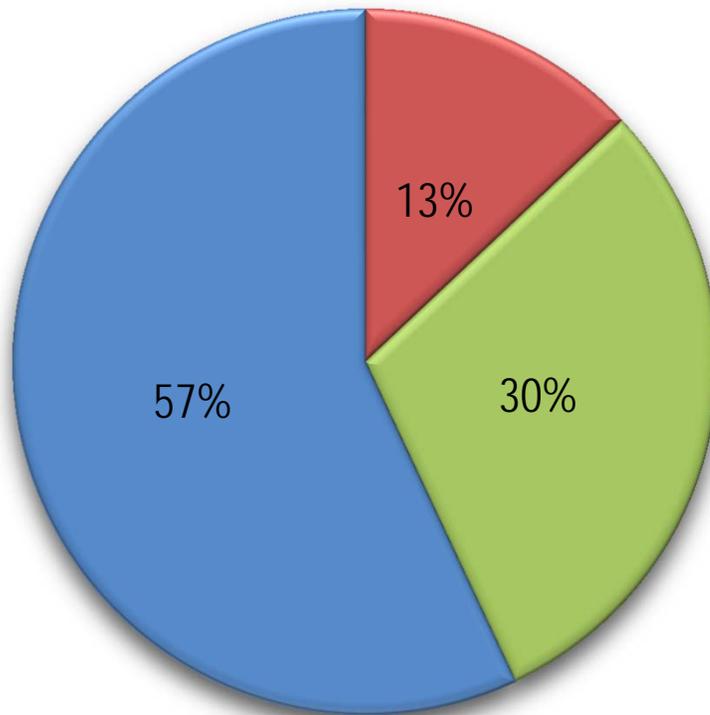


Revenue/Stock Price History

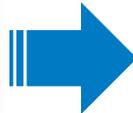
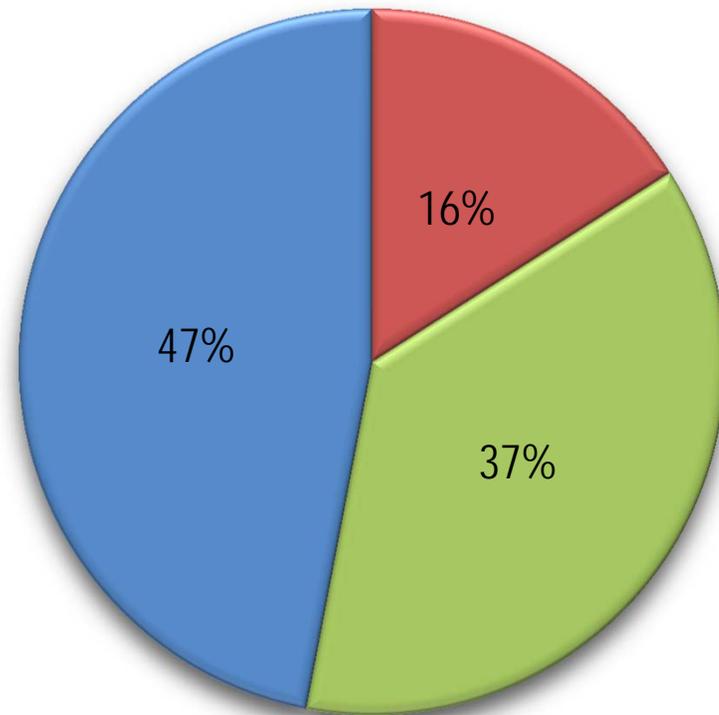


Revenue by Activity

2008



YTD 2012



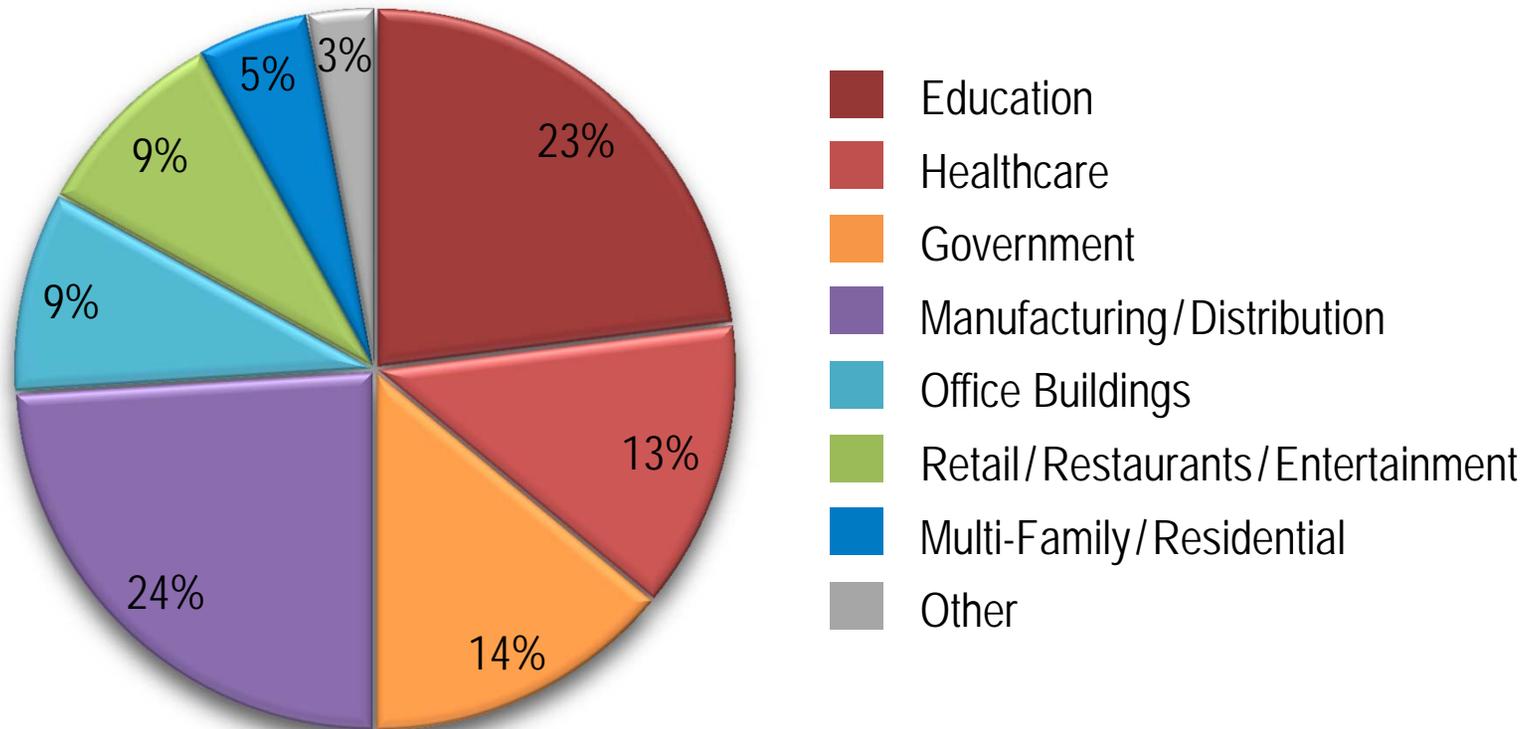
■ New Construction/Installation

■ Replacement

■ Service & Maintenance

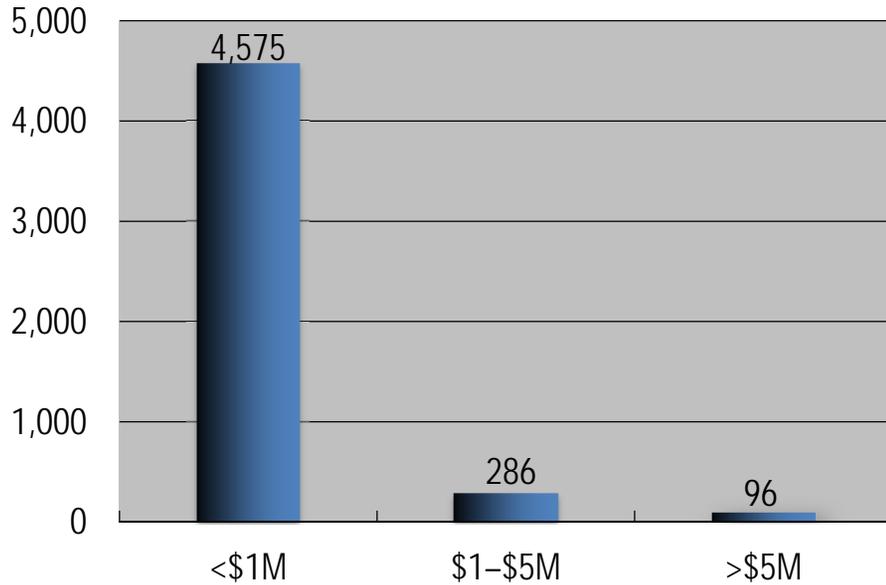
Revenue by Sector

September 2012 Year-to-Date Revenue

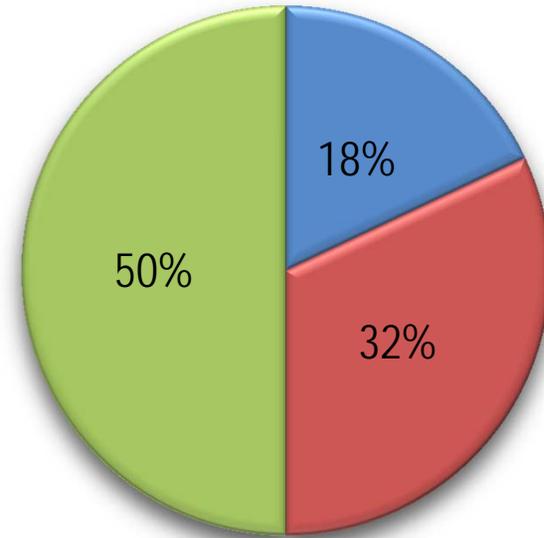


Diverse Project Mix

Number of Projects



Aggregate Contract Value



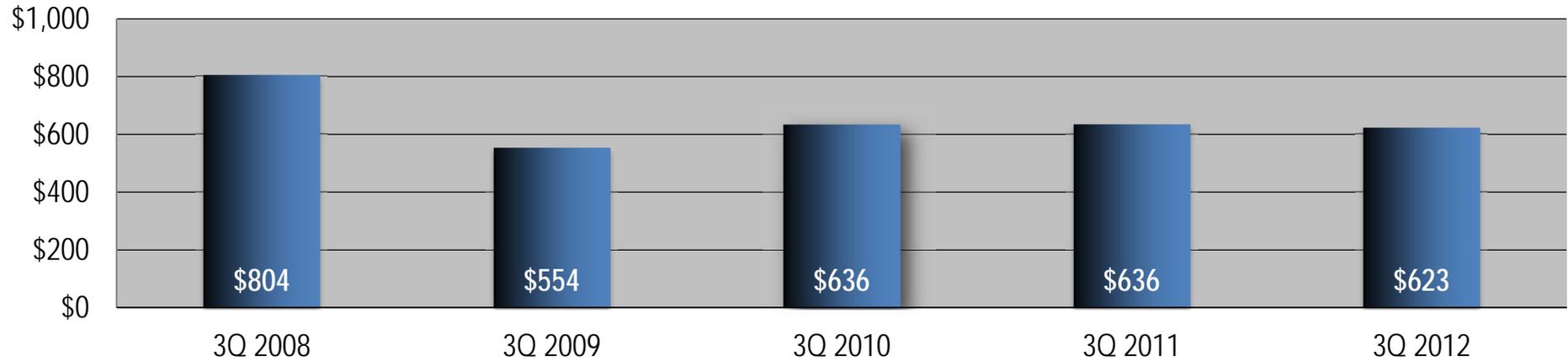
- Jobs <\$1M (Value: \$371M)
- Jobs \$1M-\$5M (Value: \$650M)
- Jobs >\$5M (Value: \$1,004M)

Average Project Size: \$409,000 | Average Project Length: 6-9 months
(Information as of September 30, 2012)

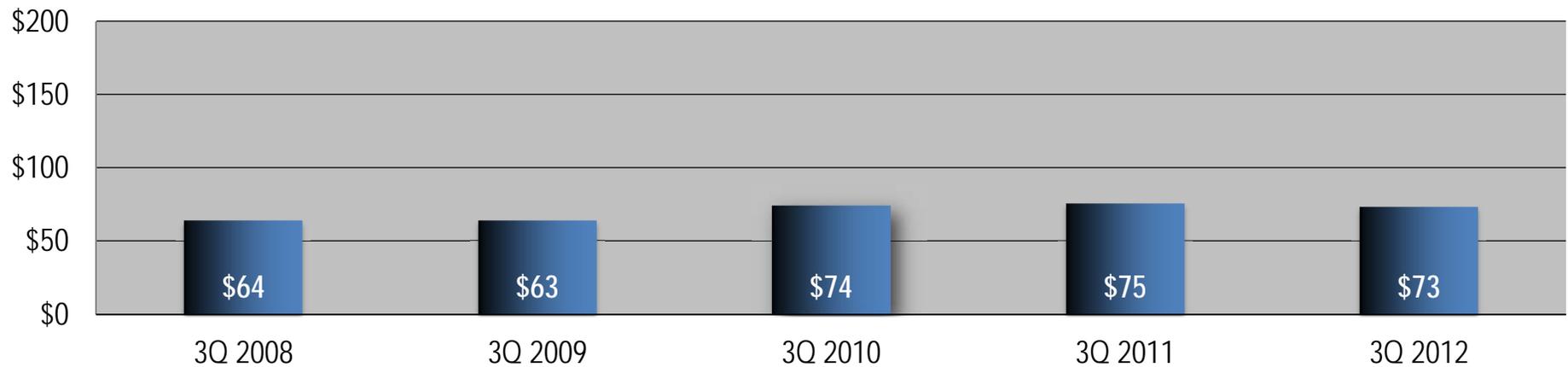
Book of Business

(\$ in millions)

Construction Backlog

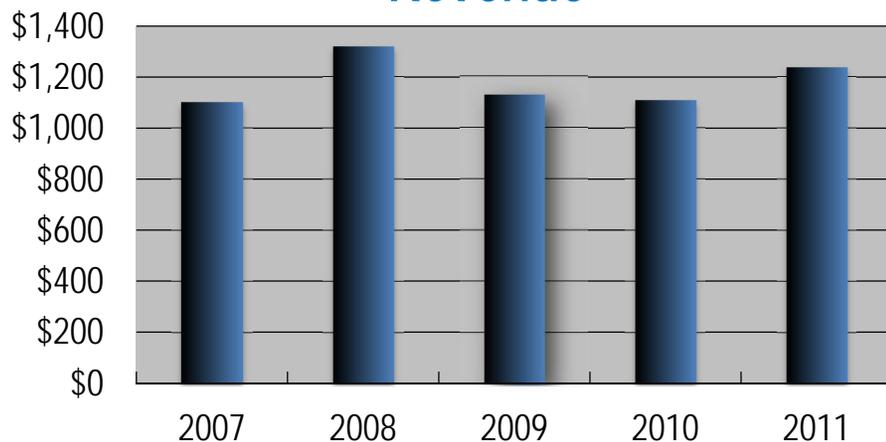


Service Maintenance Base

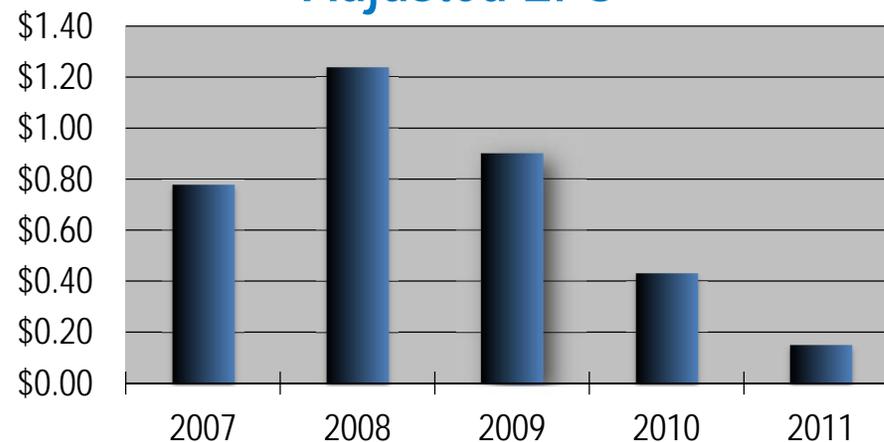


Historical Financial Summary (\$ in millions, except per share information)

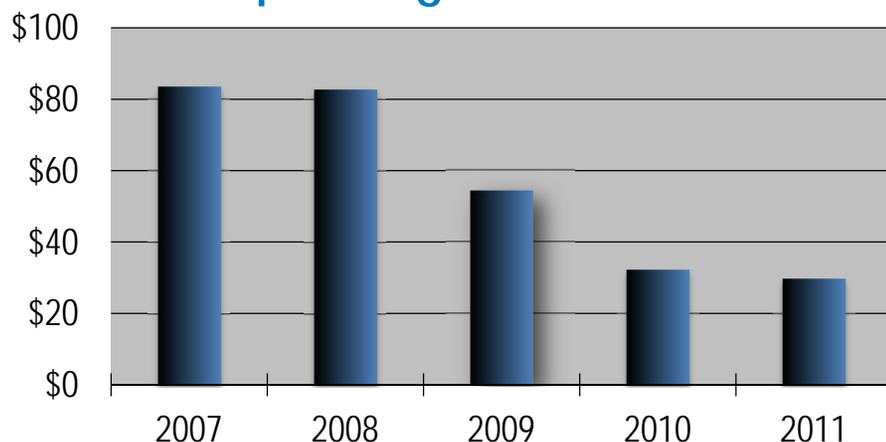
Revenue



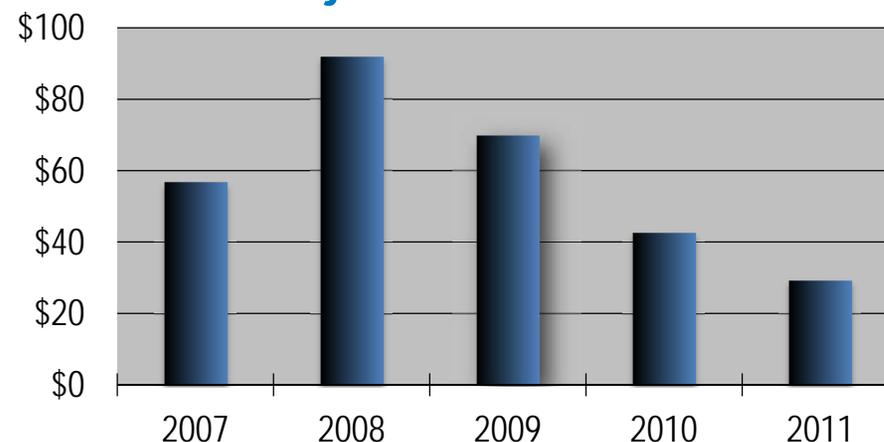
Adjusted EPS ⁽¹⁾



Operating Cash Flow



Adjusted EBITDA ⁽²⁾



⁽¹⁾ Adjusted EPS is a non-GAAP financial measure. Adjusted EPS excludes goodwill and other intangible asset impairments, changes in the fair value of contingent earn-out obligations and tax valuation allowances. See Appendix VII for a GAAP reconciliation to Adjusted EPS.

⁽²⁾ Adjusted EBITDA is a non-GAAP financial measure. See the Appendix V for a GAAP reconciliation to Adjusted EBITDA.

QTD Financial Performance

<i>(\$ in millions, except per share information)</i>	Three Months Ended	
	9/30/12	9/30/11
Revenue	\$ 335.5	\$ 328.1
Net Income	\$ 5.7	\$ (36.6)
Adjusted Net Income ⁽¹⁾	\$ 5.7	\$ 5.3
Diluted EPS	\$ 0.15	\$ (0.98)
Adjusted Diluted EPS ⁽²⁾	\$ 0.15	\$ 0.14
Adjusted EBITDA ⁽³⁾	\$ 15.0	\$ 12.3
Operating Cash Flow	\$ 16.5	\$ 1.5

⁽¹⁾Adjusted Net Income is a non-GAAP financial measure. See Appendix III for Supplemental Non-GAAP Information (Quarterly).

⁽²⁾Adjusted Diluted EPS is a non-GAAP financial measure. See Appendix III for Supplemental Non-GAAP Information (Quarterly).

⁽³⁾Adjusted EBITDA is a non-GAAP financial measure. See Appendix IV for a GAAP reconciliation to Adjusted EBITDA (Quarterly).

YTD Financial Performance

<i>(\$ in millions, except per share information)</i>	Nine Months Ended	
	9/30/12	9/30/11
Revenue	\$1,019.7	\$ 922.3
Net Income	\$ 9.1	\$ (38.6)
Adjusted Net Income ⁽¹⁾	\$ 9.1	\$ 3.0
Diluted EPS	\$ 0.24	\$ (1.03)
Adjusted Diluted EPS ⁽²⁾	\$ 0.24	\$ 0.08
Adjusted EBITDA ⁽³⁾	\$ 28.9	\$ 19.0
Operating Cash Flow	\$ 3.4	\$ (22.0)

⁽¹⁾Adjusted Net Income is a non-GAAP financial measure. See Appendix III for Supplemental Non-GAAP Information (Quarterly).

⁽²⁾Adjusted Diluted EPS is a non-GAAP financial measure. See Appendix III for Supplemental Non-GAAP Information (Quarterly).

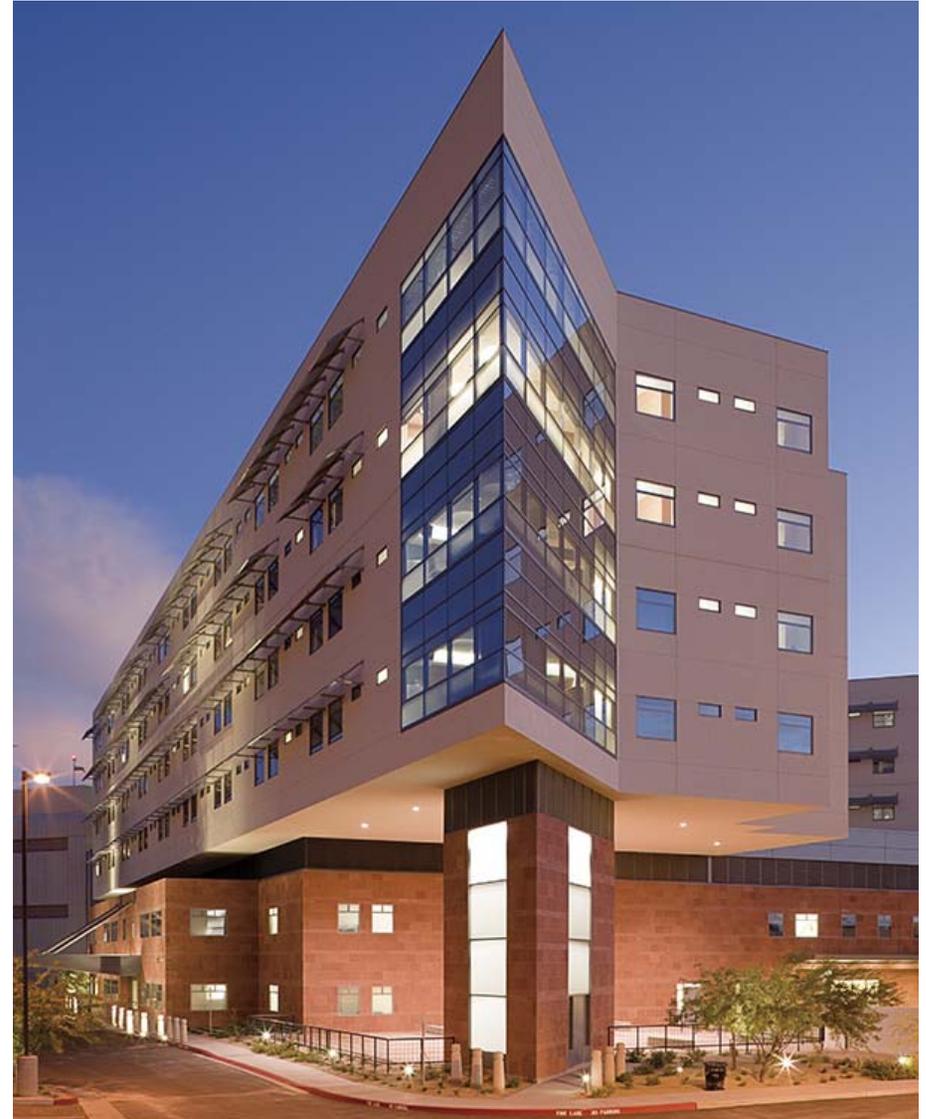
⁽³⁾Adjusted EBITDA is a non-GAAP financial measure. See Appendix IV for a GAAP reconciliation to Adjusted EBITDA (Quarterly).

Key Financial Statistics

<i>(\$ in millions)</i>	As of	
	9/30/12	12/31/11
Cash	\$ 35.7	\$ 51.2
Working Capital	\$ 116.2	\$ 109.3
Goodwill and Intangible Assets	\$ 161.4	\$ 155.4
Total Debt	\$ 24.3	\$ 15.4
Equity	\$ 284.3	\$ 283.1

Balance Sheet Strength

- \$36 cash at September 30, 2012
- Positive free cash flow for 13 consecutive years
- Debt capacity
 - \$24M debt at 9/30/2012
 - \$125M revolving credit facility
 - 2016 maturity



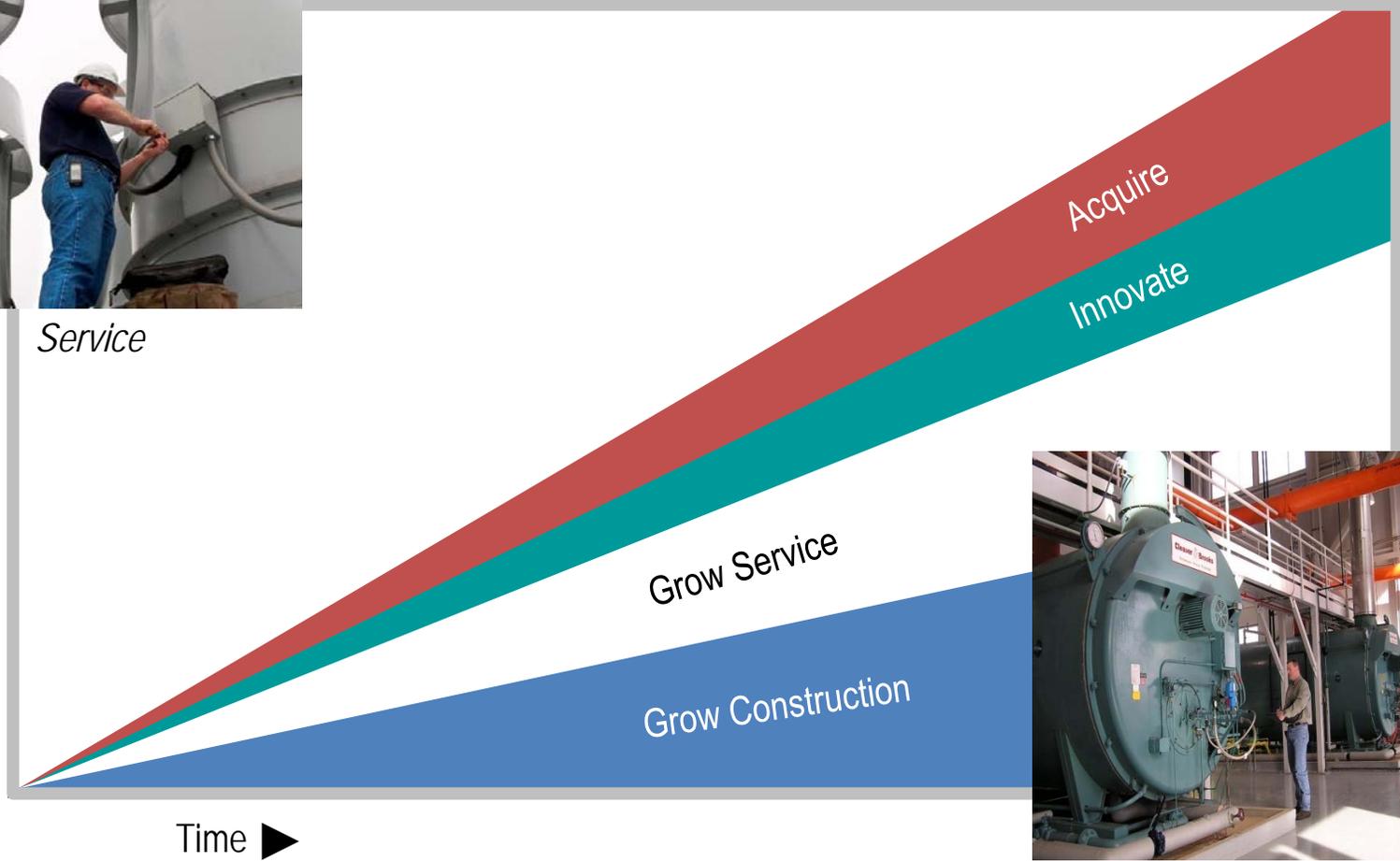
Profile for Growth



Service

Earnings ▲

Time ►



Commercial HVAC

Industry Environment: McGraw Hill Construction

Comfort Systems USA in the Next Cycle

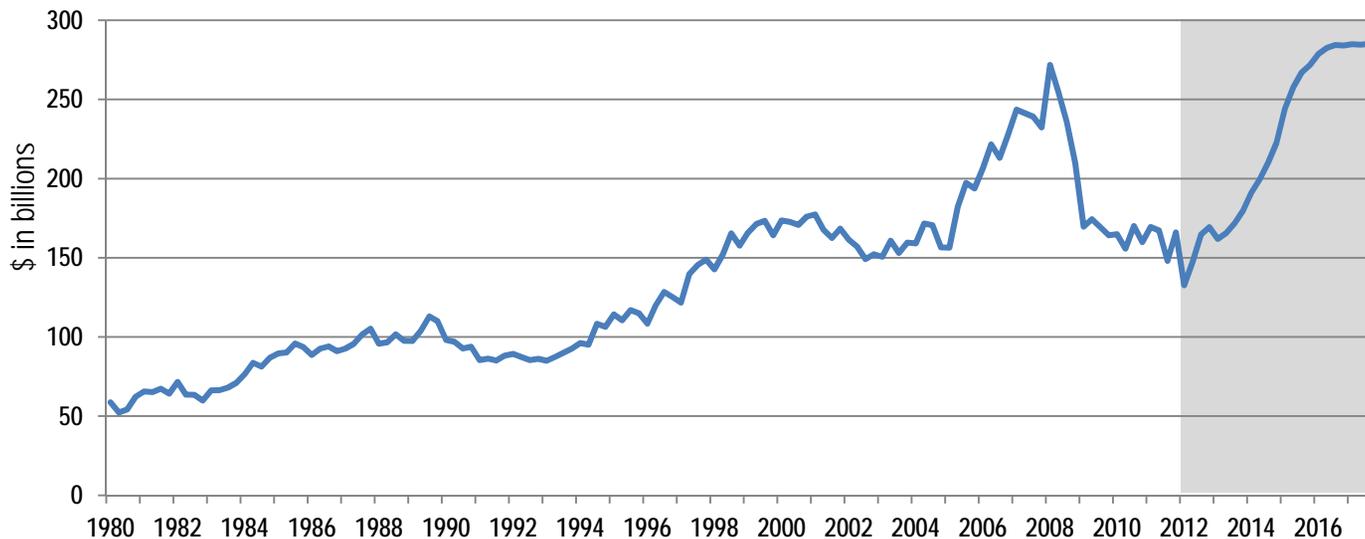
- Expanding service
- Growing markets
- Investing in our workforce
- Focusing on our customers

Total Nonresidential Construction Starts

Billions of Current Dollars

	History				Forecast					
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Nonresidential	243.0	169.3	163.1	164.3	148.2	155.3	181.7	229.8	259.4	268.1
% Change	+2	-30	-4	+1	-10	+5	+17	+26	+13	+3

Commercial, Industrial, Institutional HVAC – A \$40B+ Industry



Source: McGraw Hill Construction 4Q 2012 CMFS Data

**COMFORT
SYSTEMS USA**

Quality People. Building Solutions.

Appendices



Appendix I — Income Statement (QTD)

(\$ in thousands, except per share information)	Three Months Ended September 30,			
	2012		2011	
Revenue	\$ 335,540	100.0%	\$ 328,113	100.0%
Cost of Services	279,889	83.4%	279,005	85.0%
Gross Profit	55,651	16.6%	49,108	15.0%
Selling, General and Administrative Expenses	46,004	13.7%	41,493	12.6%
Goodwill Impairment	-	0.0%	55,134	16.8%
Gain on Sale of Assets	(99)	0.0%	(58)	0.0%
Operating Income (Loss)	\$ 9,746	2.9%	\$ (47,461)	-14.5%
Net Income (Loss) Attributable to Comfort Systems	\$ 5,673	1.7%	\$ (36,569)	-11.1%
Non-GAAP Net Income Attributable to Comfort Systems As Adjusted ⁽¹⁾	\$ 5,673	1.7%	\$ 5,348	1.6%
Diluted EPS	\$ 0.15		\$ (0.98)	
Non-GAAP Diluted EPS As Adjusted ⁽¹⁾	\$ 0.15		\$ 0.14	
Adjusted EBITDA ⁽²⁾	\$ 14,979	4.5%	\$ 12,311	3.8%

⁽¹⁾See Appendix III for Supplemental Non-GAAP Information (Quarterly).

⁽²⁾Adjusted EBITDA is a non-GAAP financial measure. See Appendix IV for a GAAP Reconciliation to Adjusted EBITDA (Quarterly).

Appendix II — Income Statement (YTD)

(\$ in thousands, except per share information)	Nine Months Ended September 30,			
	2012		2011	
Revenue	\$ 1,019,700	100.0%	\$ 922,320	100.0%
Cost of Services	866,793	85.0%	791,493	85.8%
Gross Profit	152,907	15.0%	130,827	14.2%
Selling, General and Administrative Expenses	139,457	13.7%	126,043	13.7%
Goodwill impairment	-	0.0%	55,134	6.0%
Gain on Sale of Assets	(554)	-0.1%	(162)	0.0%
Operating Income (Loss)	\$ 14,004	1.4%	\$ (50,188)	-5.4%
Net Income (Loss) Attributable to Comfort Systems	\$ 9,112	0.9%	\$ (38,577)	-4.2%
Non-GAAP Net Income Attributable to Comfort Systems As Adjusted ⁽¹⁾	\$ 9,112	0.9%	\$ 2,966	0.3%
Diluted EPS	\$ 0.24		\$ (1.03)	
Non-GAAP Diluted EPS As Adjusted ⁽¹⁾	\$ 0.24		\$ 0.08	
Adjusted EBITDA ⁽²⁾	\$ 28,931	2.8%	\$ 19,012	2.1%

¹⁾See Appendix III for Supplemental Non-GAAP Information (Quarterly).

²⁾Adjusted EBITDA is a non-GAAP financial measure. See Appendix IV for a GAAP Reconciliation to Adjusted EBITDA (Quarterly).

Appendix III—Supplemental Non-GAAP Information (Quarterly)

(\$ in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Net income (loss) attributable to Comfort Systems USA	\$ 5,673	\$ (36,569)	\$ 9,112	\$ (38,577)
Goodwill impairment (after tax)	-	44,886	-	44,886
Changes in fair value of contingent earn-out obligations (after tax)	-	(5,025)	-	(5,399)
Tax valuation allowances (after tax)	-	2,056	-	2,056
Net income attributable to Comfort Systems USA excluding goodwill impairment, changes in fair value of contingent earn-out obligations and tax valuation allowances	<u>\$ 5,673</u>	<u>\$ 5,348</u>	<u>\$ 9,112</u>	<u>\$ 2,966</u>
Diluted income (loss) per share attributable to Comfort Systems USA	\$ 0.15	\$ (0.98)	\$ 0.24	\$ (1.03)
Goodwill impairment	-	1.20	-	1.20
Changes in fair value of contingent earn-out obligations	-	(0.13)	-	(0.14)
Tax valuation allowances	-	0.05	-	0.05
Diluted income per share attributable to Comfort Systems USA excluding goodwill impairment, changes in fair value of contingent earn-out obligations and tax valuation allowances	<u>\$ 0.15</u>	<u>\$ 0.14</u>	<u>\$ 0.24</u>	<u>\$ 0.08</u>

Note : Operating results attributable to Comfort Systems USA, Inc., excluding goodwill impairment, changes in fair value of contingent earn-out obligations and tax valuation allowances are presented because the Company believes it reflects the results of the core ongoing operations of the Company, and because we believe it is responsive to frequent questions we receive from third parties. However, this measure is not considered a primary measure of an entity's financial results under generally accepted accounting principles, and accordingly, this amount should not be considered an alternative to operating results as determined under generally accepted accounting principles and as reported by the Company.

Appendix IV—GAAP Reconciliation to Adjusted EBITDA (Quarterly)

(\$ in thousands)	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Net Income (Loss) Including Noncontrolling Interests	\$ 5,325	\$ (36,569)	\$ 6,704	\$ (38,577)
Income Taxes	4,003	(6,293)	6,068	(7,479)
Other (Income) Expense, net	(13)	16	(83)	68
Changes in the Fair Value of Contingent				
Earn-out Obligations	38	(5,077)	105	(5,566)
Interest Expense, net	393	462	1,210	1,366
Gain on Sale of Assets	(99)	(58)	(554)	(162)
Goodwill Impairment	-	55,134	-	55,134
Depreciation and Amortization	5,332	4,696	15,481	14,228
Adjusted EBITDA	<u>\$ 14,979</u>	<u>\$ 12,311</u>	<u>\$ 28,931</u>	<u>\$ 19,012</u>

Note: The Company defines adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") as net income (loss) including noncontrolling interests, excluding income taxes, other (income) expense, net, changes in the fair value of contingent earn-out obligations, interest expense, net, gain on sale of assets, goodwill impairment and depreciation and amortization. Other companies may define Adjusted EBITDA differently. Adjusted EBITDA is presented because it is a financial measure that is frequently requested by third parties. However, Adjusted EBITDA is not considered under generally accepted accounting principles as a primary measure of an entity's financial results, and accordingly, Adjusted EBITDA should not be considered an alternative to operating income (loss), net income (loss), or cash flows as determined under generally accepted accounting principles and as reported by the Company.

Appendix V—GAAP Reconciliation to Adjusted EBITDA (Annual)

(\$ in thousands)

	Year Ended December 31,				
	2007	2008	2009	2010	2011
Net Income (Loss) Including Noncontrolling Interests	\$ 32,466	\$ 49,690	\$ 34,182	\$ 14,740	\$ (36,492)
Discontinued Operations	-	114	414	(723)	-
Income Taxes	20,080	30,866	21,437	6,360	(8,172)
Other (Income) Expense, net	(5)	(64)	(17)	(267)	(934)
Changes in the Fair Value of Contingent Earn-out Obligations	-	-	-	(1,574)	(5,528)
Interest (Income) Expense, net	(2,670)	(1,160)	617	1,506	1,758
Gain on Sale of Assets	34	(290)	(106)	(525)	(239)
Goodwill and Other Intangible Asset Impairments	-	-	-	5,734	58,922
Depreciation and Amortization	6,853	12,586	13,432	17,442	20,053
Adjusted EBITDA	<u>\$ 56,758</u>	<u>\$ 91,742</u>	<u>\$ 69,959</u>	<u>\$ 42,693</u>	<u>\$ 29,368</u>

Note: The Company defines adjusted earnings before interest, taxes, depreciation, and amortization ("Adjusted EBITDA") as net income (loss) including noncontrolling interests, excluding discontinued operations, income taxes, other (income) expense, net, changes in the fair value of contingent earn-out obligations, interest (income) expense, net, gain on sale of assets, goodwill and other intangible asset impairments and depreciation and amortization. Other companies may define Adjusted EBITDA differently. Adjusted EBITDA is presented because it is a financial measure that is frequently requested by third parties. However, Adjusted EBITDA is not considered under generally accepted accounting principles as a primary measure of an entity's financial results, and accordingly, Adjusted EBITDA should not be considered an alternative to operating income (loss), net income (loss), or cash flows as determined under generally accepted accounting principles and as reported by the Company.

Appendix VI—Supplemental Non-GAAP Information

(\$ in thousands)

	Year Ended December 31,				
	2007	2008	2009	2010	2011
Net income (loss) from continuing operations attributable to Comfort Systems USA, Inc.	\$ 32,219	\$ 49,804	\$ 34,596	\$ 14,017	\$ (36,830)
Goodwill and other intangible asset impairments (after tax)	-	-	-	3,316	45,710
Changes in the fair value of contingent earn-out obligations (after tax)	-	-	-	(934)	(5,276)
Tax valuation allowances (after tax)	-	-	-	-	2,056
Net income from continuing operations attributable to Comfort Systems USA, Inc. excluding goodwill and other intangible asset impairments, changes in the fair value of contingent earn-out obligations and tax valuation allowances	<u>\$ 32,219</u>	<u>\$ 49,804</u>	<u>\$ 34,596</u>	<u>\$ 16,399</u>	<u>\$ 5,660</u>

Note 1: Operating results from continuing operations attributable to Comfort Systems USA, Inc., excluding goodwill and other intangible asset impairments, changes in the fair value of contingent earn-out obligations and tax valuation allowances are presented because the Company believes it reflects the results of the core ongoing operations of the Company, and because we believe it is responsive to frequent questions we receive from third parties. However, this measure is not considered a primary measure of an entity's financial results under generally accepted accounting principles, and accordingly, this amount should not be considered an alternative to operating results as determined under generally accepted accounting principles and as reported by the Company.

Note 2: Net income (loss) from continuing operations attributable to Comfort Systems USA, Inc. is income (loss) from continuing operations less net income attributable to noncontrolling interests.

Note 3: The tax rate on these items was computed using the pro forma effective tax rate of the Company exclusive of these charges.

Appendix VII—GAAP Reconciliation to Adjusted EPS

	Year Ended December 31,				
	2007	2008	2009	2010	2011
Diluted income (loss) per share from continuing operations attributable to Comfort Systems USA, Inc.	\$ 0.78	\$ 1.24	\$ 0.90	\$ 0.37	\$ (0.99)
Goodwill and other intangible asset impairments	-	-	-	0.09	1.22
Changes in the fair value of contingent earn-out obligations	-	-	-	(0.03)	(0.14)
Tax valuation allowances	-	-	-	-	0.06
Diluted income per share from continuing operations attributable to Comfort Systems USA, Inc. excluding goodwill and other intangible asset impairments, changes in the fair value of contingent earn-out obligations and tax valuation allowances	\$ 0.78	\$ 1.24	\$ 0.90	\$ 0.43	\$ 0.15

Note 1: Operating results from continuing operations attributable to Comfort Systems USA, Inc., excluding goodwill and other intangible asset impairments, changes in the fair value of contingent earn-out obligations and tax valuation allowances are presented because the Company believes it reflects the results of the core ongoing operations of the Company, and because we believe it is responsive to frequent questions we receive from third parties. However, this measure is not considered a primary measure of an entity's financial results under generally accepted accounting principles, and accordingly, this amount should not be considered an alternative to operating results as determined under generally accepted accounting principles and as reported by the Company.

Note 2: Net income (loss) from continuing operations attributable to Comfort Systems USA, Inc. is income (loss) from continuing operations less net income attributable to noncontrolling interests.

Note 3: The tax rate on these items was computed using the pro forma effective tax rate of the Company exclusive of these charges.

Contact

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