

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) May 1, 2024

Comfort Systems USA, Inc.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction  
of incorporation)

1-13011  
(Commission  
File Number)

76-0526487  
(IRS Employer  
Identification No.)

675 Bering Drive, Suite 400  
Houston, Texas  
(Address of principal executive offices)

77057  
(Zip Code)

Registrant's telephone number, including area code (713) 830-9600

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	FIX	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

ITEM 7.01 Regulation FD Disclosure

On May 1, 2024, Comfort Systems USA, Inc., a Delaware corporation (the “Company”), a leading provider of commercial, industrial and institutional heating, ventilation, air conditioning and electrical contracting services, posted to the “Investor” section of its Internet website (www.comfortsystemsusa.com) an investor presentation slideshow. The Company intends to use this slideshow in making presentations to analysts, potential investors, and other interested parties.

The information included in the investor presentation includes financial information determined by methods other than in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The Company’s management uses these non-GAAP measures in its analysis of the Company’s performance. The Company believes that the presentation of certain non-GAAP measures provides useful supplemental information that is essential to a proper understanding of the operating results of the Company’s core businesses. These non-GAAP disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies.

The information in this Form 8-K being furnished under Item 7.01 shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of such section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing. The investor presentation contains forward-looking statements within the meaning of applicable securities laws and regulations. These statements are based on the Company’s expectations and involve risks and uncertainties that could cause the Company’s actual results to differ materially from those set forth in the statements. These risks are discussed in the Company’s filings with the Securities and Exchange Commission, including an extensive discussion of these risks in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023.

A copy of the presentation is furnished herewith as Exhibit 99.1.

ITEM 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit Number	Description
<a href="#">99.1</a> 104	<a href="#">Investor presentation dated May 1, 2024</a> Cover Page Interactive Data File (the cover page XBRL tags are embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

COMFORT SYSTEMS USA, INC.

By: /s/ Laura F. Howell  
Laura F. Howell  
*Senior Vice President and General Counsel*

Date: May 1, 2024

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**COMFORT  
SYSTEMS USA**

Quality People. Building Solutions.

NYSE: FIX  
May 1, 2024

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SYST

## SAFE HARBOR

Certain statements and information in this presentation may constitute forward-looking statements within the meaning of applicable securities laws and regulations. The words “believe,” “expect,” “anticipate,” “plan,” “intend,” “foresee,” “should,” “would,” “could,” or other similar expressions are used 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’s business. While the Company’s management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that the actual developments affecting the Company will be those that it anticipates, and the Company’s actual results of operations, financial condition and the development of the industry in which the Company operates, may differ materially from those made in or suggested by the forward-looking statements contained in this presentation. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this presentation, those results or developments may not be in line with 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 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; inability to perform contractual obligations efficiently enough to maintain profitability; national or regional weakness in construction activity and economic downturns; rising inflation and fluctuations in interest rates; shortages of labor and specialty building materials or material increases to the cost thereof; business being negatively affected by health crises or outbreaks of disease, such as epidemics or pandemics (and related impacts, such as supply chain disruptions); financial difficulties affecting projects, vendors, customers, or subcontractors; the Company’s backlog failing to translate into actual profits; failure of third party subcontractors and suppliers to complete work as anticipated; difficulty in obtaining, or increased costs associated with, bonding and insurance; impairment to goodwill; errors in the Company’s cost-to-cost input 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 and requirements; debarment from bidding on or performing government contracts; retention of key management; seasonal fluctuations in the demand for mechanical and electrical systems; the imposition of past and future liability from environmental, safety, and health regulations including those associated with self-insurance; adverse litigation results; an increase in our effective tax rate; a material information technology failure or a major security breach; risks associated with acquisitions, such as challenges to our ability to integrate those companies into our internal control environment; inability to manage growth and geographically-dispersed operations; our ability to obtain financing on acceptable terms; extreme weather conditions (such as storms, droughts, extreme heat or cold, wildfires and floods), including as a result of climate change, and any resulting regulations or restrictions thereon; and other risks detailed in our reports filed with the Securities and Exchange Commission (the “SEC”).

For additional information regarding known material factors that could cause the Company’s results to differ from its projected results, please see the Company’s 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 update or revise any forward-looking statements after the date they are made, whether because of new information, future events, or otherwise.

## NON-GAAP MEASURES

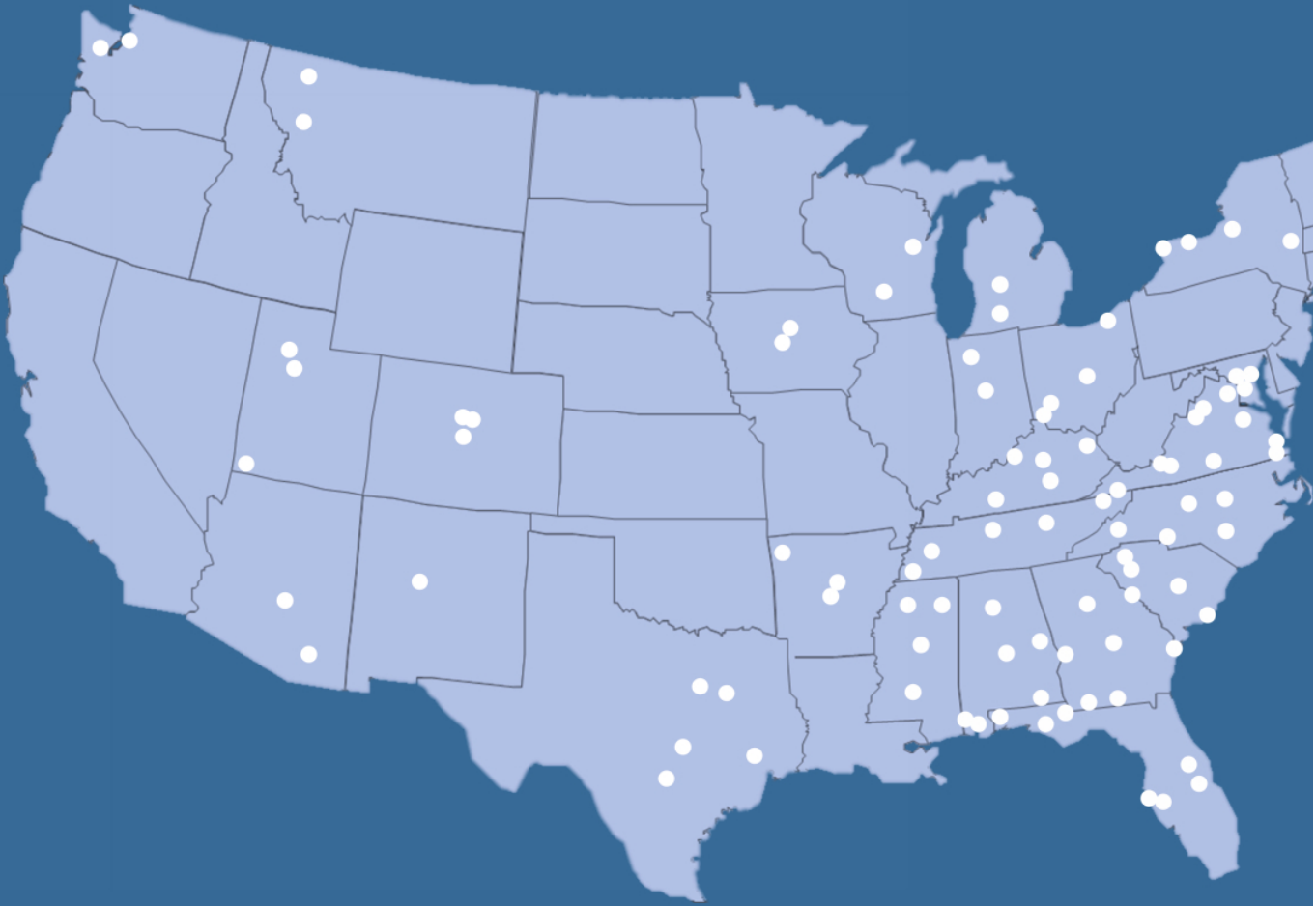
Certain measures in this presentation are not measures calculated in accordance with generally accepted accounting principles (“GAAP”). They should not be considered a replacement for GAAP results. Non-GAAP financial measures appearing in these slides are identified in the footnote. See the Appendix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

# COMFORT SYSTEMS USA



- Leading national mechanical electrical and plumbing (“ME”) installation and service provider
- \$5.0+ billion yearly revenue
- 16,000+ employees
- History of profitable growth
- Advantageous mechanical, electrical, and modular construction and service portfolio

# NATIONAL FOOTPRINT



177 locations | 136 cities | 16,000+ employees

# MARKET OUTLOOK



## Strong Markets

- Technology – Data Center  
Chip Manufacturing
- Life Sciences - Pharmaceutical
- Food Processing
- Manufacturing
- Healthcare
- EV Battery

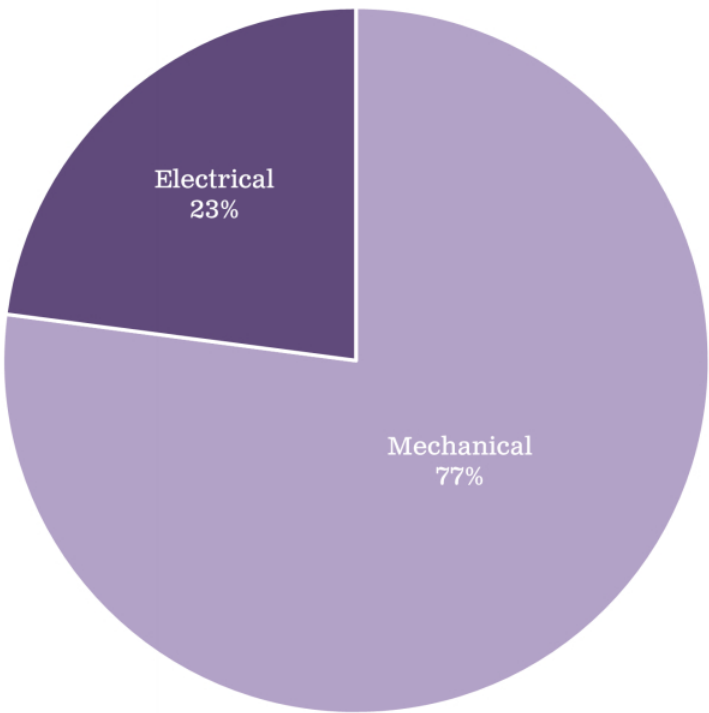
## Trends

- Industrial
- Re-Shoring
- Indoor Air Quality
- Service
- Modular

# SEGMENT BREAKDOWN – YTD 202

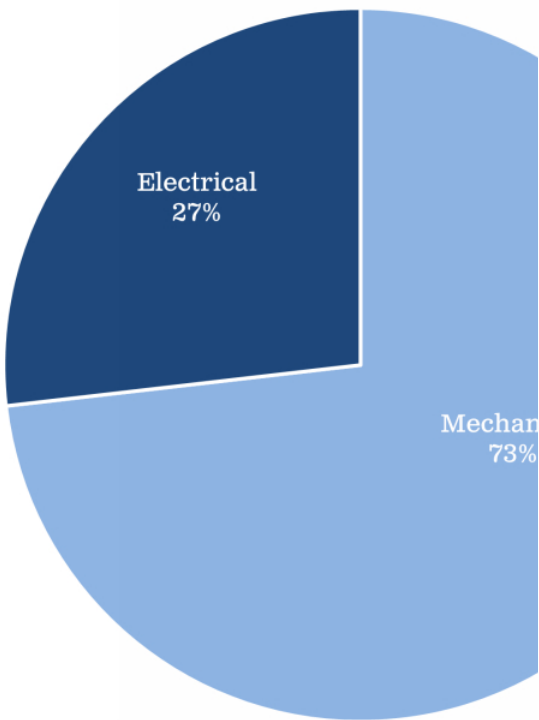
## REVENUE

YTD 2024 Revenue = \$1,537.0M



## GROSS PROFIT

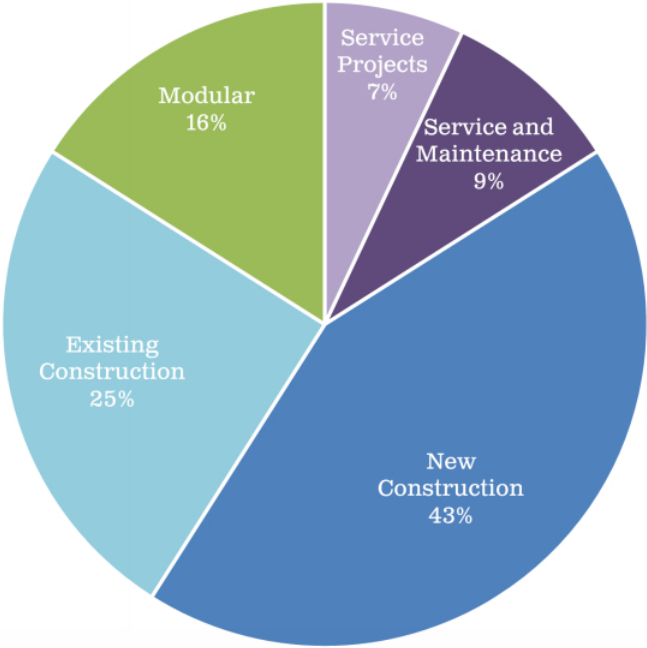
YTD 2024 Gross Profit = \$297.4M



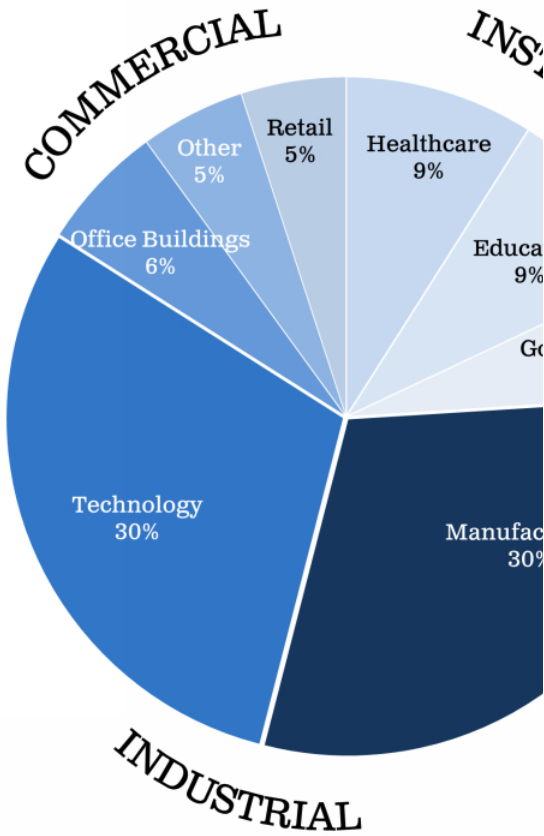
# REVENUE BREAKDOWN – 2024

2024 Revenue = \$1.54B

## ACTIVITY

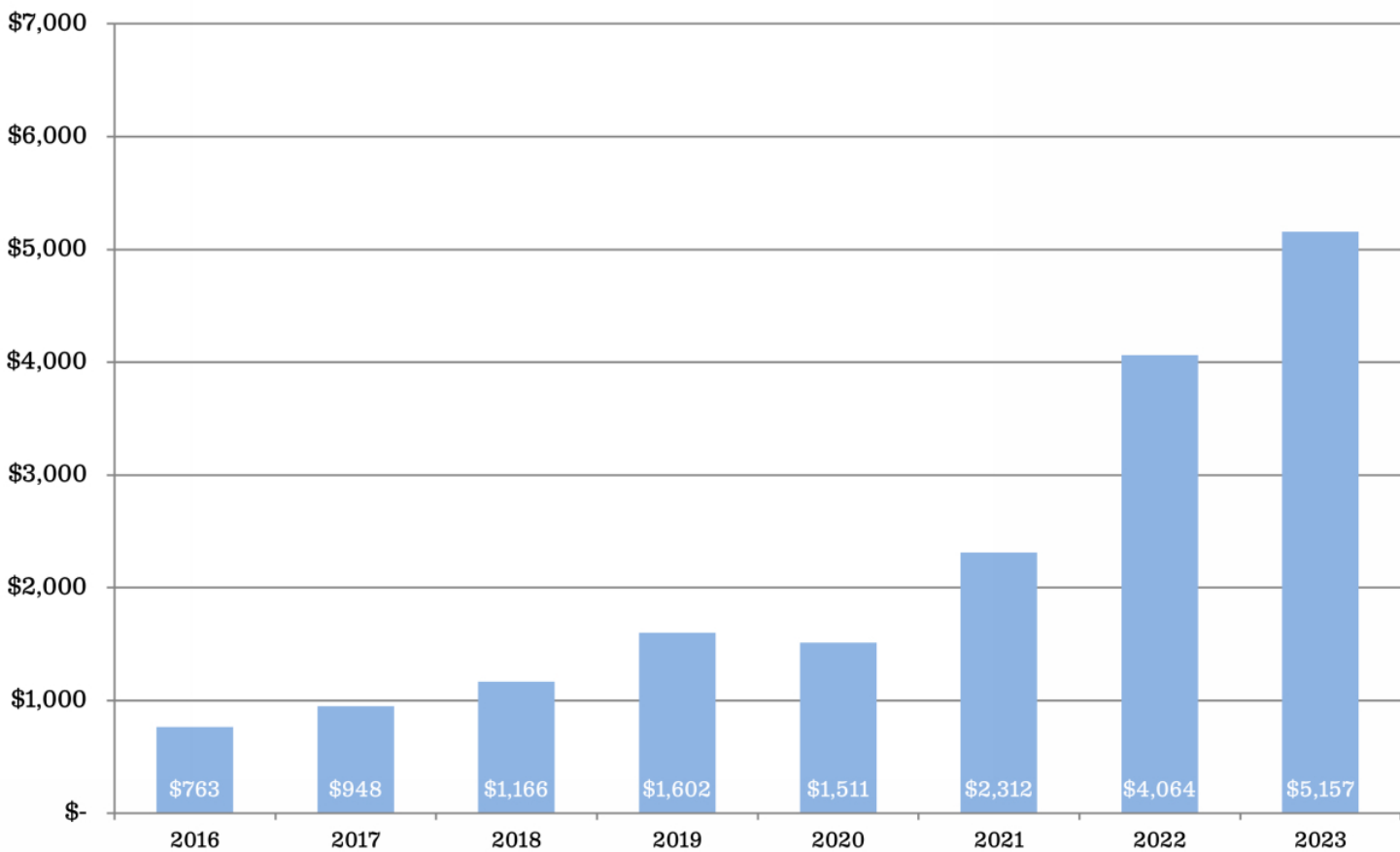


## MARKET SECTOR



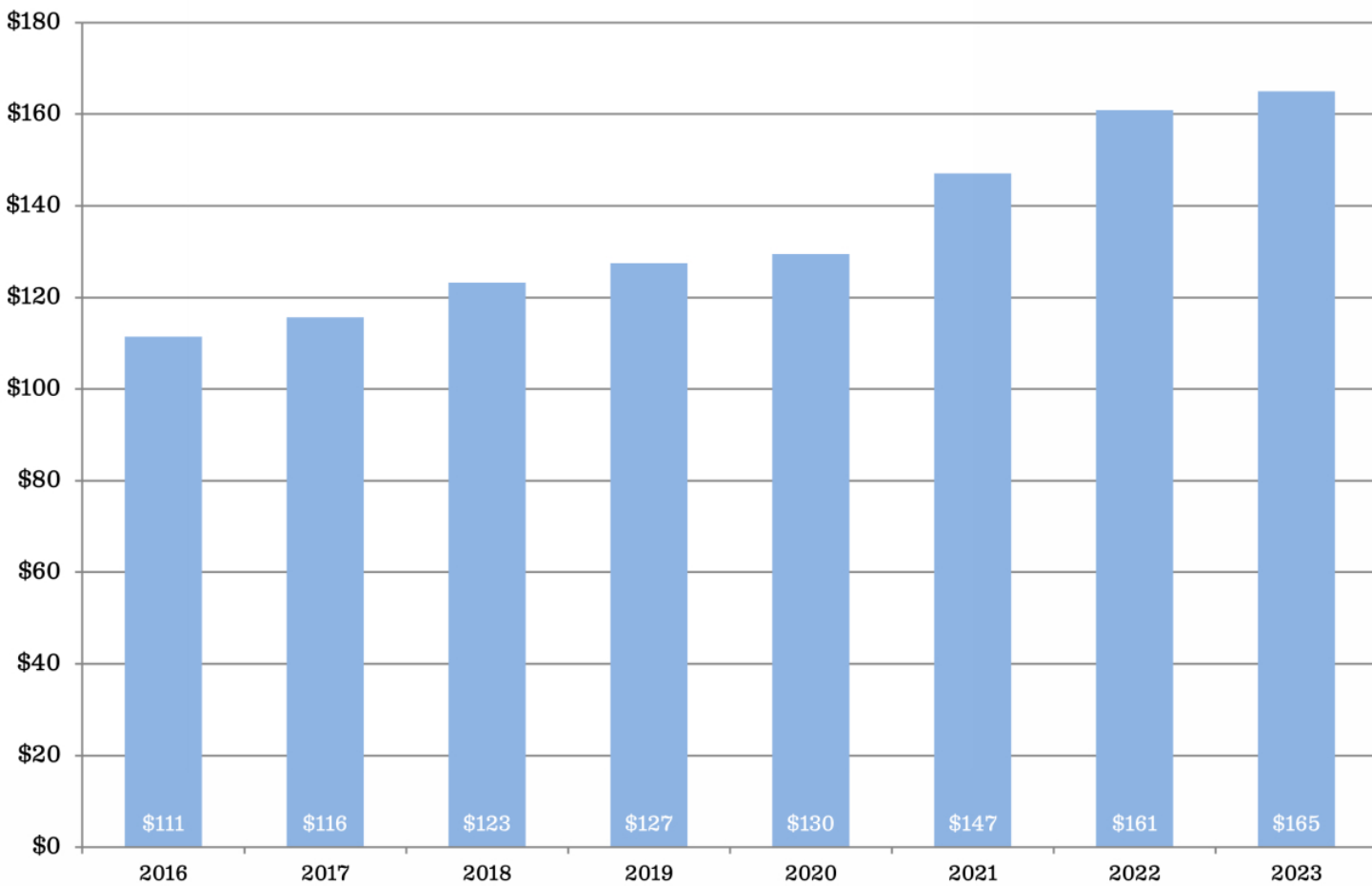
# CONSTRUCTION BACKLOG

(\$ in millions)



# SERVICE MAINTENANCE BASE

(\$ in millions)



# RECENT FINANCIAL PERFORMANCE

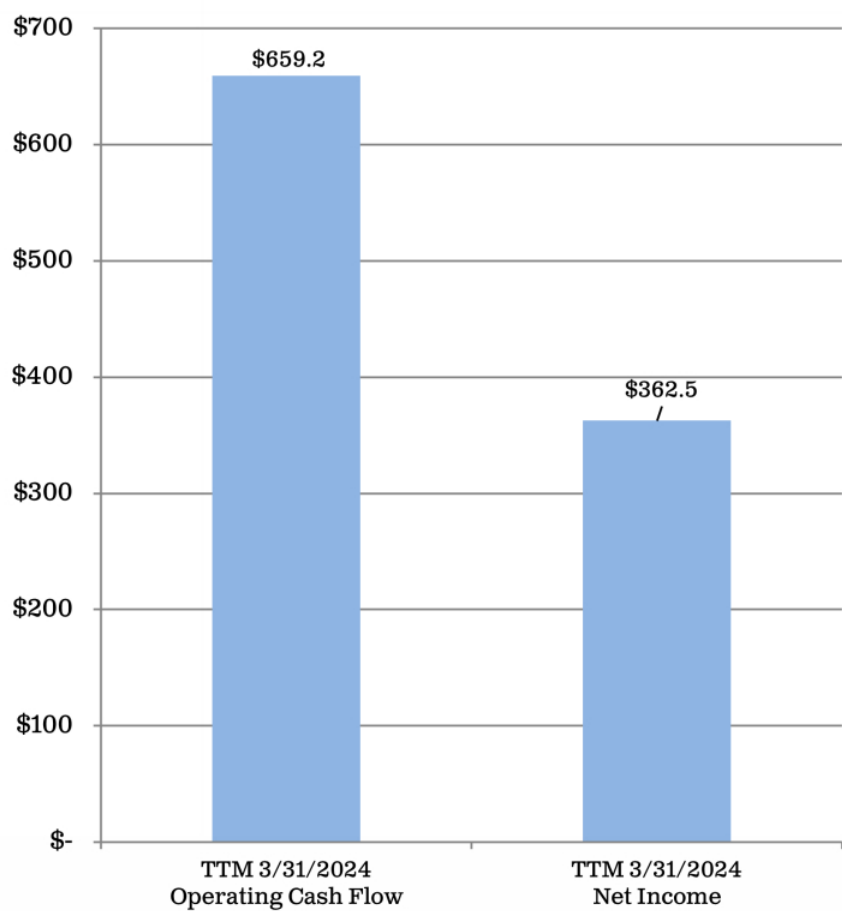
	THREE MONTHS ENDED		TWELVE MONTHS ENDED
(\$ in millions, except per share information)	<u>3/31/24</u>	<u>3/31/23</u>	<u>12/31/23</u>
Revenue	\$1,537.0	\$1,174.6	\$5,206.8
Net Income	\$96.3	\$57.2	\$323.4
Diluted EPS	\$2.69	\$1.59	\$9.01
Adjusted EPS <sup>(1)</sup>	\$2.69	\$1.51	\$8.74
Adjusted EBITDA <sup>(2)</sup>	\$169.8	\$90.3	\$499.0
Operating Cash Flow	\$146.6	\$126.9	\$639.6

<sup>(1)</sup> Adjusted EPS is a non-GAAP financial measure. Adjusted EPS excludes tax gains. See Appendix II for a GAAP reconciliation to Adjusted EPS.

<sup>(2)</sup> Adjusted EBITDA is a non-GAAP financial measure. See Appendix I for a GAAP reconciliation to Adjusted EBITDA.

# ACCELERATED CASH

(\$ Millions)



- TTM operating cash flow exceeds full year net income
- At 3/31/24, we have a substantial amount of unearned customer contracts
- Pre-bookings and equipment advances normalize creating a cash headwind when project costs are incurred

# FINANCIAL STRENGTH

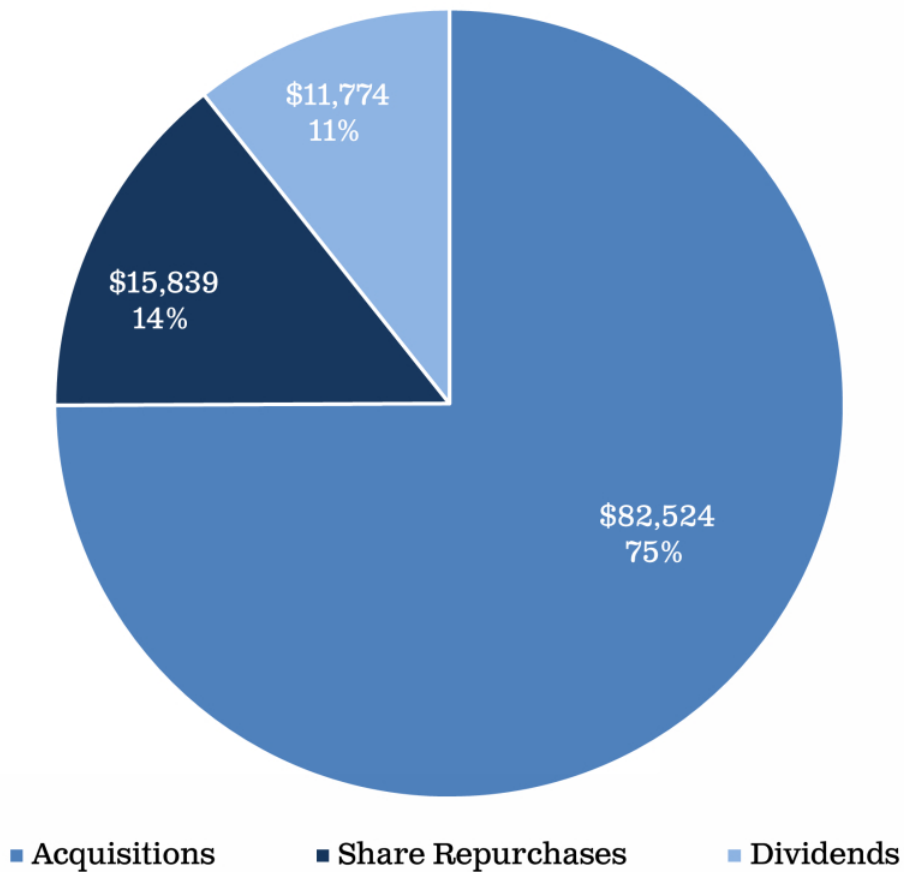
- Positive free cash flow for 25 consecutive years
- Increased dividend for 12 consecutive years
- Debt/TTM EBITDA = 0.16
- \$100.8 M cash at March 31, 2024
- \$89.9 M total debt at March 31, 2024
- Debt capacity
  - No borrowings at 3/31/24
  - \$850M senior credit facility
  - 2027 maturity



# CAPITAL ALLOCATION

(\$ in thousands)

## AVERAGE 2007 - 2023



# CAPITAL RETURNED

(\$ in thousands)

FISCAL PERIODS	SHARE REPURCHASES	DIVIDENDS	CAPITAL RETURNED
2015	\$8,330	\$9,358	\$17,688
2016	\$13,088	\$10,264	\$23,352
2017	\$9,007	\$10,987	\$19,994
2018	\$28,533	\$12,268	\$40,801
2019	\$19,550	\$14,543	\$34,093
2020	\$30,120	\$15,499	\$45,619
2021	\$27,054	\$17,384	\$44,438
2022	\$38,216	\$20,077	\$58,293
2023	\$21,184	\$30,379	\$51,563

# MODULAR OFF-SITE CONSTRUCTION



# SUSTAINABILITY OVERVIEW

Our environmental, social and corporate governance (ESG) goals are embedded in how we operate as a business – they are part of our foundation and core values of being safe, honest, respectful, collaborative, and innovative – and we have diligently sought to develop disclosures to support our ESG commitments. As a company, we recognize that while our work lends itself to sustainable best practices, more we can do to create a positive impact. We are committed to a continual improvement approach to sustainability.

## PLANET

### Material Topics

*Energy Efficiency  
Carbon Emissions*



**Operate with the intention to positively impact the environment through our work and the services we provide to our customers**

- Comfort Systems USA has completed a Greenhouse Gas ("GHG") Inventory covering all relevant Scope 1 and 2 emissions across our operations for both 2021 and 2022, facilitating a deeper analysis and comparative data in our 2022 Sustainability Report
- In 2022, we had a 4% reduction in GHG emissions intensity
- Previously, we developed and shared sustainable transportation guidelines with all operating companies to utilize best practices in fleet management, business travel, route optimization, and employee commuting
- Performed our first water risk analysis in 2022



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## PARTNERS

### Material Topics

*Regulatory Compliance  
Financial Health  
Privacy and Data Security  
Ethics, Anti-Bribery, and Corruption*



**Be reliable, honest, and innovative partners to our customers and suppliers**

- 100% of all operational sites have completed an internal audit/risk assessment concerning business ethics issues
- Silver EcoVadis Sustainability Rating achieved in 2022 and Bronze EcoVadis Sustainability Rating achieved in 2021
- Sustainable Procurement Policy and Supplier Diversity Program launched in 2021
- Developed and implemented a Human Rights Policy in 2022

## PEOPLE

### Material Topics

*Worker Health and Safety  
Diversity, Equity, and Inclusion*

**Foster a safe, collaborative environment for our employees**

- 100% of all operating companies have completed a diversity, equity, and inclusion assessment
- 100% of operational sites have completed an employee health and safety assessment and utilize the 5x5 program and the "5x5" initiative contributing to record safety performance
- As part of our commitment to employee health and well-being, Comfort Systems USA offers all employees access to a variety of support for confidential issues, including work-life solutions, legal and financial resources
- Implemented a process to track and report on the number of suppliers with whom we have a diverse workforce

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# INNOVATION WITH AN EMPHASIS ON PRODUCTIVITY

Innovation



## Future

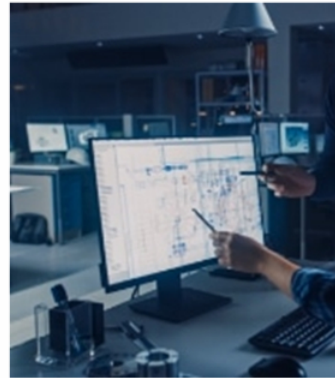
- Pilots of emerging technology
- Partnerships with industry leaders
- Data analytics to drive business

## 2014 – Present

- Investments in advanced BIM technologies
- EAS & TAS modular construction
- Mobile technology deployment in service

## 2004 – 2014

- Early adoption of BIM
- Industry-leading prefabrication
- Best practice sharing across subsidiaries



Time

# OUR VALUES



Be safe



Be honest



Be respectful



Be innovative



Be collaborative

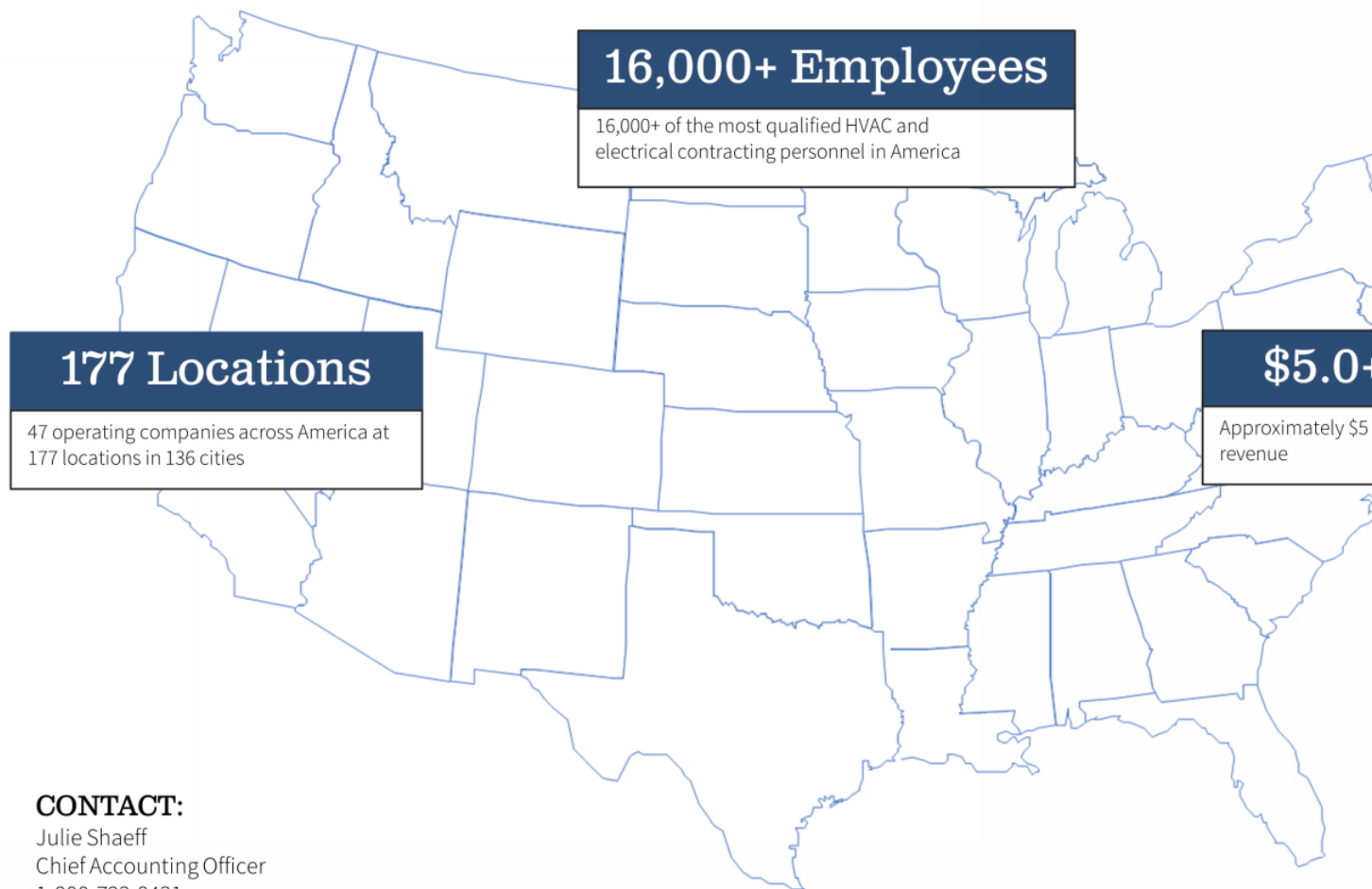


# OUR STRENGTH



- Consistent free cash flow
- Strong Balance Sheet
- Acquisition record
- Attractive geographies
- Leading innovation
- Profitable growth

# THANK YOU



## CONTACT:

Julie Shaeff  
Chief Accounting Officer  
1-800-723-8431  
[ir@comfortsystemsusa.com](mailto:ir@comfortsystemsusa.com)  
[www.comfortsystemsusa.com](http://www.comfortsystemsusa.com)

## APPENDIX I – GAAP RECONCILIATION TO ADJUSTED EBITDA

	Three Months Ended March 31,		Twelve Months Ended December 31,
(\$ in thousands)	2024	2023	2023
<b>Net Income</b>	<b>\$96,319</b>	<b>\$57,216</b>	<b>\$323,100</b>
<b>Provision (Benefit) for Income Taxes</b>	<b>26,737</b>	<b>8,609</b>	<b>64,700</b>
<b>Other Income, net</b>	<b>(117)</b>	<b>(1)</b>	<b>(20,000)</b>
<b>Changes in the Fair Value of Contingent Earn-out Obligations</b>	<b>12,491</b>	<b>2,382</b>	<b>23,000</b>
<b>Interest Expense (Income), net</b>	<b>30</b>	<b>2,679</b>	<b>6,700</b>
<b>Gain on Sale of Assets</b>	<b>(820)</b>	<b>(512)</b>	<b>(2,300)</b>
<b>Tax-related SG&amp;A costs</b>	<b>–</b>	<b>421</b>	<b>1,300</b>
<b>Amortization</b>	<b>23,913</b>	<b>10,331</b>	<b>43,400</b>
<b>Depreciation</b>	<b>11,254</b>	<b>9,187</b>	<b>38,100</b>
<b>Adjusted EBITDA</b>	<b>\$169,807</b>	<b>\$90,312</b>	<b>\$498,000</b>

Note: The Company defines adjusted earnings before interest, taxes, depreciation, and amortization ("Adjusted EBITDA") as net income, provision for income taxes, other expense changes in the fair value of contingent earn-out obligations, interest expense (income), net, gain on sale of assets, goodwill impairment, other one-time expenses or gains 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. 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 used as an alternative to operating income, net income, or cash flows as determined under generally accepted accounting principles and as reported by the Company.

## APPENDIX II – GAAP RECONCILIATION TO ADJUSTED E

	Three Months Ended March 31,		Twelve Ended De
	2024	2023	2023
Diluted Income per Share	\$2.69	\$1.59	\$9
Tax Gains Related to Prior Years	–	(0.09)	(0.
Tax-Related SG&A Costs, Net of Tax	–	0.01	0.
Diluted Income per Share Excluding Tax Gains	\$2.69	\$1.51	\$8

Note: Diluted income per share excluding tax gains is presented because the Company believes it reflects the results of the core ongoing operations of the Company, and we believe it answers frequent questions we receive from third parties. This measure, however, is not considered a primary measure of an entity's financial results under generally accepted accounting principles and, accordingly, should not be considered an alternative to operating results as determined under generally accepted accounting principles and as reported by the Company.