



Comfort Systems USA Announces Acquisition

February 10, 2020

- Acquires Starr Electric Company in North Carolina -
- Enhances Modular Construction Offering -

HOUSTON--(BUSINESS WIRE)--Feb. 10, 2020-- **Comfort Systems USA, Inc. (NYSE: FIX)**, a leading provider of commercial, industrial and institutional heating, ventilation, air conditioning and electrical contracting services, today announced that it has entered into a definitive agreement to acquire the Starr Electric Company, Inc. ("Starr") headquartered in Greensboro, North Carolina.

Starr was founded in 1928 and provides electrical installation across North Carolina. Starr engages in a broad range of electrical contracting projects and services, and has offices in Charlotte, Raleigh, Greensboro, and Fayetteville, North Carolina and in Columbia, South Carolina. Starr also participates in modular and off-site construction services and has a long-standing partnership with Environmental Air Systems, a Comfort Systems USA subsidiary that includes a leading modular construction and off-site construction offering. Initially Starr is expected to contribute annualized revenues of approximately \$90 million to \$100 million, and earnings before interest, taxes, depreciation and amortization of \$5 million to \$6 million. In light of the required amortization expense related to intangibles and other costs associated with the transaction, the acquisition is expected to make a neutral to slightly accretive contribution to earnings per share in 2020 and 2021.

Brian Lane, Comfort Systems USA's Chief Executive Officer, commented, "We are extremely happy to announce that Starr and its extraordinary team of professionals have joined Comfort Systems USA. Starr is an important force in electrical contracting and related services across North Carolina, with deep experience in the industrial, medical and educational sectors. In addition to the world class construction offering that Starr brings, this investment will allow us to further develop our modular construction offering by adding electrical rooms and other assemblies to our off-site construction business in High Point, North Carolina. For decades Starr has worked with us in that business, and Starr has resources and expertise that will be pivotal to improving our modular solutions for industrial, institutional and commercial customers."

Harley Garrison, Chief Executive Officer of Starr, commented, "We chose to join Comfort Systems USA because we have seen first-hand through our long association that Comfort is committed to its employees and to the legacy that they will now share with us. We believe that our partnership with Comfort Systems USA is a fantastic opportunity to provide training, security and growth for our employees and all of our stakeholders. We believe that Starr and Comfort Systems USA have a bright future together."

Brian Lane concluded, "Starr brings extraordinary capabilities and an established and excellent reputation in one of our nation's most vibrant markets. Given the strong leadership at all levels of the company, we believe that Starr will continue to grow and improve. We could not be happier that the Starr Electric Company is joining Comfort Systems USA."

Comfort Systems USA® is a premier provider of business solutions addressing workplace comfort, with 134 locations in 115 cities around the nation. For more information, visit the Company's website at www.comfortsystemsusa.com.

Certain statements and information in this press release may constitute forward-looking statements regarding our future business expectations, which are subject to the safe harbor provisions 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 revenue 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; 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 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 mechanical 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; an increase in our effective tax rate; an information technology failure or cyber security breach; 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.

Source: Comfort Systems USA, Inc.

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