



## Comfort Systems USA Announces Acquisition

- Jan 05, 2021

HOUSTON--(BUSINESS WIRE)--Jan. 5, 2021-- **Comfort Systems USA, Inc. (NYSE: FIX)** today announced that it has entered into a definitive agreement to acquire Tennessee Electric Company, Inc. dba T E C Industrial Construction and Maintenance ("T E C") headquartered in Kingsport, Tennessee.

T E C was founded in 1947 and provides multidisciplined construction and industrial services including electrical, mechanical and other plant services primarily in Tennessee and surrounding states. Initially, T E C is expected to contribute annualized revenues of approximately \$90 million to \$100 million, and earnings before interest, taxes, depreciation and amortization of \$8 million to \$9 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 2021 and 2022.

Brian Lane, Comfort Systems USA's Chief Executive Officer, commented, "We are very happy to announce that T E C and its team of professionals with unique industrial construction and plant service expertise have joined Comfort Systems USA. T E C has remarkable capabilities and relationships with complex industrial clients, and I am confident that we and they can benefit from collaboration, training and continued investment in their people and business."

Greg Boehling, Chief Executive Officer of T E C, commented, "The most important consideration for us in choosing to join Comfort Systems USA is that they share our core values of safety, integrity and performance. We believe that our partnership with Comfort Systems USA will enable us to enhance our commitment and investment in our people and to better serve our customers, our communities and to continue our long history of delivering complex services in the industrial sector."

Brian Lane concluded, "T E C brings extraordinary capabilities and a remarkable reputation with demanding industrial customers across their region. I am thrilled that T E C has chosen to join Comfort Systems USA."

Comfort Systems USA® is a leading provider of commercial, industrial and institutional heating, ventilation, air conditioning and electrical contracting services, with 137 locations in 112 cities around the nation. For more information, visit the Company's website at [www.comfortsystemsusa.com](http://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; the Company's business being negatively affected by health crises or outbreaks of disease, such as epidemics or pandemics; 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.*

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