



Comfort Systems USA Announces Acquisition

- Dec 01, 2021

HOUSTON--(BUSINESS WIRE)--Dec. 1, 2021-- **Comfort Systems USA, Inc. (NYSE: FIX)** today announced that it has entered into a definitive agreement to acquire Ivey Mechanical Company, LLC ("Ivey") headquartered in Kosciusko, Mississippi.

Ivey was founded in 1947 and provides mechanical contracting and service across the Southeastern United States. In addition to Mississippi, Ivey has locations in Tennessee, Kentucky, North Carolina, Alabama, and Georgia, and works in the surrounding states. Initially, Ivey is expected to contribute annualized revenues of approximately \$150 million to \$160 million, and earnings before interest, taxes, depreciation, and amortization of \$7 million to \$9 million. Considering 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 2022 and 2023.

Brian Lane, Comfort Systems USA's Chief Executive Officer, commented, "We are very happy to announce that Ivey has brought its outstanding workforce and leadership into our family of companies. Ivey has strong construction and service capabilities, including the ability to collaborate with numerous of our operations. I am confident that we will benefit from their expertise as we invest in training and development for their people and business. In addition to well-known construction capabilities, Ivey has a terrific service business in several markets."

Denny Terrell, Chief Executive Officer of Ivey, commented, "We have maintained a positive dialogue with Comfort Systems USA for more than 20 years, and we believe that this transaction will benefit us and our customers. Our great workforce and relationships will be a good fit in the Comfort family of companies. Our top consideration in choosing Comfort Systems USA was cultural fit, commitment to employee and customer needs, and shared fundamental values. We believe that our long tradition of serving our community, employees and customers, will only be enhanced by this transaction."

Brian Lane concluded, "Ivey has great people and a strong reputation, and I am really happy that Ivey 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 152 locations in 120 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 applicable securities laws and regulations. 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, and the Company's actual results of operations, financial condition, and liquidity, 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 press release. 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 press release, those results, or developments may not be indicative of our results or developments in subsequent periods. 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 its acquisition of Ivey 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 or material increases to the cost thereof; 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 the inherent risk associated with self-insurance; adverse litigation results; an increase in our effective tax rate; a material information technology failure or a material cyber security breach; risks associated with acquisitions; our ability to manage growth and geographically-dispersed operations; our ability to obtain financing on acceptable terms; 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 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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