



Comfort Systems USA Announces Agreement to Acquire the Remaining Interest in Environmental Air Systems

- Dec 21, 2015

HOUSTON--(BUSINESS WIRE)--Dec. 21, 2015-- **Comfort Systems USA, Inc. (NYSE: FIX)**, a leading provider of commercial, industrial and institutional heating, ventilation and air conditioning ("HVAC") services, today announced that it has entered into an agreement to acquire the remaining 40% noncontrolling interest in Environmental Air Systems ("EAS") headquartered in Greensboro, North Carolina effective January 1, 2016.

In November 2011 Comfort Systems USA acquired 60% of EAS with an option to acquire the remainder of EAS beginning in late 2016. Since that transaction, EAS has been a majority-owned subsidiary and has been accounted for on a consolidated basis. This agreement will result in Comfort Systems USA acquiring the remaining interest of EAS on January 1, 2016.

Brian Lane, Comfort Systems USA's Chief Executive Officer, commented, "We are extremely happy to announce that our long term commitment to and partnership with EAS will soon be complete. EAS has been a strong contributor to our ongoing improvement due to its great execution and willingness to support its sister operations. With this transaction complete, we believe EAS can make an even more important contribution to all of Comfort Systems."

The transaction is expected to be accretive to Comfort Systems USA's earnings in 2016. EAS was the company's most profitable subsidiary in 2015. EAS's 2016 earnings are also expected to be very strong, although not as exceptional as its 2015 earnings. However, despite the expected lower profit contribution in 2016 from EAS, the result of the transaction will allow Comfort Systems USA to see a flat to slightly higher earnings per share contribution from this division as a result of eliminating the minority position.

As required under applicable accounting standards, since the original acquisition, EAS has been fully consolidated with Comfort Systems USA's financial results. As a result, this transaction will not affect the presentation of revenues, EBITDA or other financial metrics for Comfort Systems USA that are above the elimination of noncontrolling interest numbers in the financial statements. EAS is currently the only entity in which the company reports a noncontrolling interest for financial statement purposes.

Comfort Systems USA® is a premier provider of business solutions addressing workplace comfort, with 88 locations in 83 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 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; 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. 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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Comfort Systems USA
William George, (713) 830-9600
Chief Financial Officer