



Comfort Systems USA Announces Acquisition

- Feb 02, 2016

- *Acquires ShoffnerKalthoff Family of Companies in Knoxville, Tennessee* -

HOUSTON--(BUSINESS WIRE)--Feb. 2, 2016-- **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 acquired the ShoffnerKalthoff family of companies, which includes ShoffnerKalthoff Mechanical Electrical Service, Inc., Shoffner Mechanical Services, Inc. and SKMES, Inc. (collectively, "Shoffner") headquartered in Knoxville, Tennessee.

Shoffner is a regional mechanical contractor based in Knoxville, Tennessee. Shoffner engages in a broad range of mechanical contracting projects, HVAC service and electrical contracting in Knoxville and surrounding areas. Initially, Shoffner is expected to contribute annualized revenues of approximately \$70 million at profitability levels that are generally comparable to those currently experienced by Comfort Systems USA operations. 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 during the first 12 to 18 months after the acquisition.

Brian Lane, Comfort Systems USA's Chief Executive Officer, commented, "We are extremely happy to announce that Shoffner is now a part of the Comfort Systems USA family of companies. Shoffner has a long history of contracting excellence, and this partnership brings exceptional capabilities, resources and leadership, a well-established reputation for quality workmanship, and valuable customer relationships. Shoffner's strong team will strengthen our market leadership and customer offerings throughout the Southeast and Mid-Atlantic markets."

Comfort Systems USA is a premier provider of business solutions addressing workplace comfort, with 94 locations in 85 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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Source: Comfort Systems USA, Inc.

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