

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported):

**November 10, 2009**

**COMFORT SYSTEMS USA, INC.**

\_\_\_\_\_  
(Exact Name of Registrant as Specified in its Charter)

**Delaware**

**1-13011**

**76-0526487**

\_\_\_\_\_  
(State or other  
jurisdiction of  
incorporation)

\_\_\_\_\_  
(Commission  
File Number)

\_\_\_\_\_  
(I.R.S. Employer  
Identification No.)

**675 Bering Drive, Suite 400  
Houston, Texas**

**77057**

\_\_\_\_\_  
(Address of Principal Executive Offices)

\_\_\_\_\_  
(Zip Code)

Registrant's telephone number, including area code:

(713) 830-9600

**Not Applicable**

\_\_\_\_\_  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**Item 7.01 Regulation FD Disclosure**

On the 10<sup>th</sup> day of November, 2009 Comfort Systems USA, Inc., a Delaware corporation (the “Company”), a leading provider of commercial/industrial heating, ventilation and air conditioning services, posted to the “Investor” section of its Internet website (www.comfortsystemsusa.com) an investor presentation slideshow. The Company intends to use this presentation in making presentations to analysts, potential investors, and other interested parties.

The information included in the investor presentation includes financial information determined by methods other than in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The Company’s management uses these non-GAAP measures in its analysis of the Company’s performance. The Company believes that the presentation of certain non-GAAP measures provides useful supplemental information that is essential to a proper understanding of the operating results of the Company’s core businesses. These non-GAAP disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies.

The information in this Form 8-K being furnished under Item 7.01 shall not be deemed to be “filed” for the purposes of Section 18 of the Securities and Exchange Act of 1934 (the “Exchange Act”), or otherwise subject to the liabilities of such section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing. The investor presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the Company’s expectations and involve risks and uncertainties that could cause the Company’s actual results to differ materially from those set forth in the statements. These risks are discussed in the Company’s filings with the Securities and Exchange Commission, including an extensive discussion of these risks in the Company’s Annual Report on Form 10-K for the year ended December 31, 2008.

A copy of the presentation is furnished herewith as Exhibit 99.1.

**Item 9.01 Financial Statements and Exhibits**

The following Exhibits are included herein:

| <b>Exhibit Number</b> | <b>Exhibit Title or Description</b>             |
|-----------------------|---|
| Exhibit 99.1          | Slideshow presentation dated November 10, 2009. |

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**COMFORT SYSTEMS USA, INC.**

Date: November 10, 2009

By: /s/ Trent T. McKenna  
Trent T. McKenna  
Vice President and General Counsel

Comfort Systems USA, Inc.  
Current Report on Form 8-K  
Dated November 10, 2009

EXHIBIT INDEX

| <u>Exhibit<br/>Number</u> | <u>Exhibit Title or Description</u>             |
|---------------------------|---|
| Exhibit 99.1              | Slideshow presentation dated November 10, 2009. |

*Quality People. Building Solutions.*

**COMFORT SYSTEMS USA<sup>®</sup>**



As of November 10, 2009

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the current plans and expectations of future events of Comfort Systems USA, Inc. and involve risks and uncertainties that could cause actual future activities and results of operations to be materially different from those set forth in the forward-looking statements. Important factors that could cause actual results to differ include, among others, the use of incorrect estimates for bidding a fixed-price contract, undertaking contractual commitments that exceed our 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, difficulty in obtaining or increased costs associated with bonding and insurance, shortages of labor and specialty building materials, retention of key management, our backlog failing to translate into actual revenue or profits, errors in our percentage-of-completion method of accounting, the result of competition in our markets, seasonal fluctuation 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 and other risks detailed in our reports filed with the Securities and Exchange Commission. A further list and description of these risks, uncertainties and other factors are discussed under “Item 1A. Company Risks Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2008. These forward-looking statements speak only as of the date of this filing. Comfort Systems USA, Inc. expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change in events, developments, conditions or circumstances on which any such statement is based.

***To be the nation's premier  
HVAC and mechanical  
systems installation  
and services provider.***



***To provide the best value HVAC and mechanical systems installation and service, principally in the mid-market commercial, industrial, and institutional sectors, while caring for our customers, employees and the **environment** and realizing superior returns for our stockholders.***

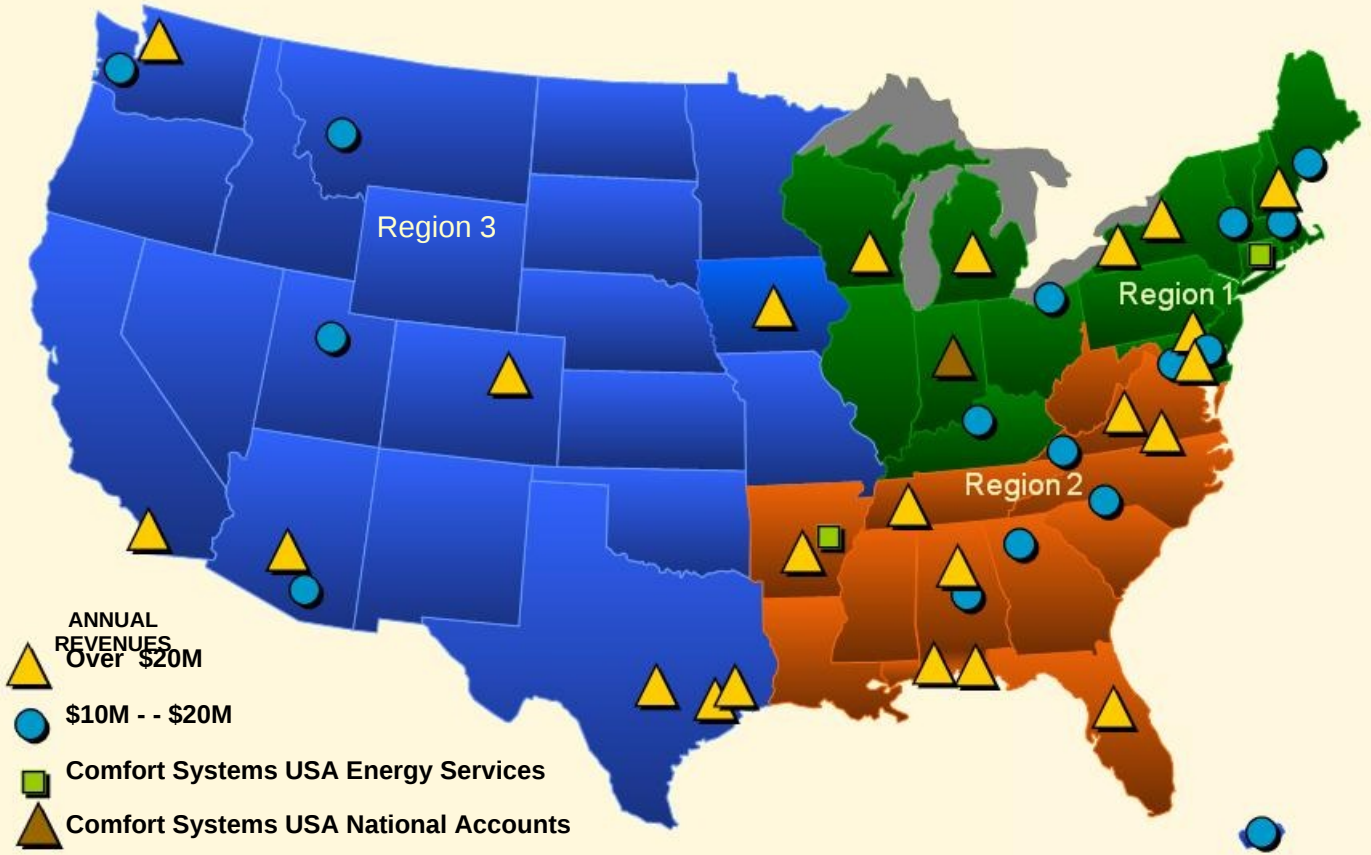
- Act with honesty and integrity.
- Show respect for all stakeholders.
- Exceed customer expectations.
- Seek “win-win” solutions.
- Demonstrate spirit, drive, and teamwork.
- Pursue innovation.
- Achieve premier safety performance.
- **Commit to energy efficiency.**
- Communicate openly.....and often.
- Impact our communities positively.



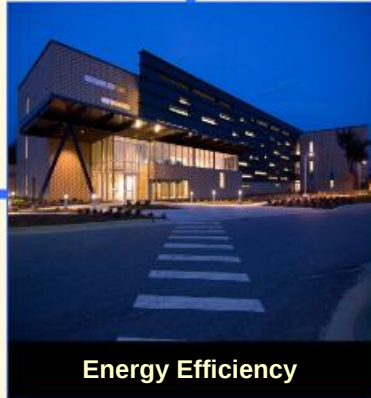
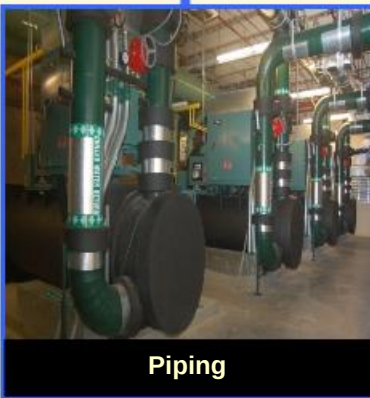
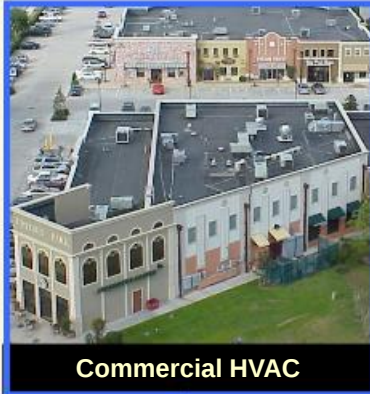


- § **National**
- § **Commercial, Industrial, Institutional**
- § **HVAC/Piping/Plumbing/Energy Efficiency**
  
- § **Strong balance sheet**
- § **Substantial positive cash flow**
  
- § **52% new construction; 48% service, repair, retrofit (YTD Q3 09)**
- § **2008 Full Year Revenues \$1.3 billion**
- § **2009 Full Year Run Rate \$1.15 billion**





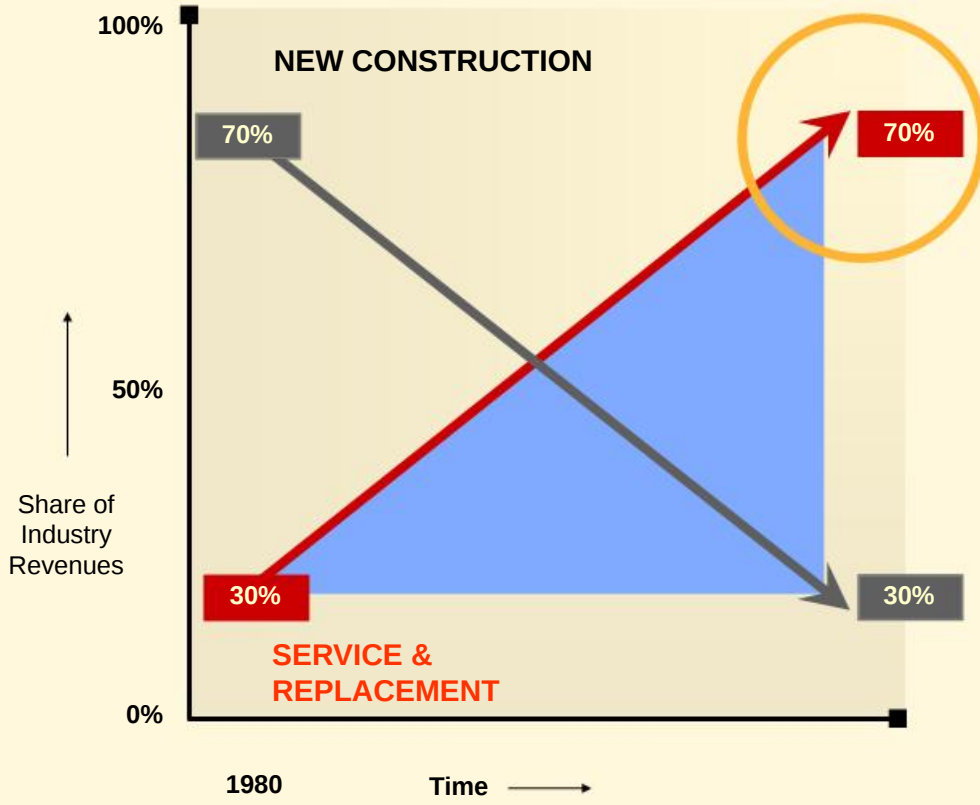
## Commercial, Industrial, Institutional HVAC - A \$40B+ Industry



### DRIVERS

- § Building comfort a “necessity”
- § Mechanical equipment - requires service, repair, replacement
- § Increasing technical content and building automation
- § Energy efficiency and Indoor Air Quality (IAQ) emerging
- § Outsourcing

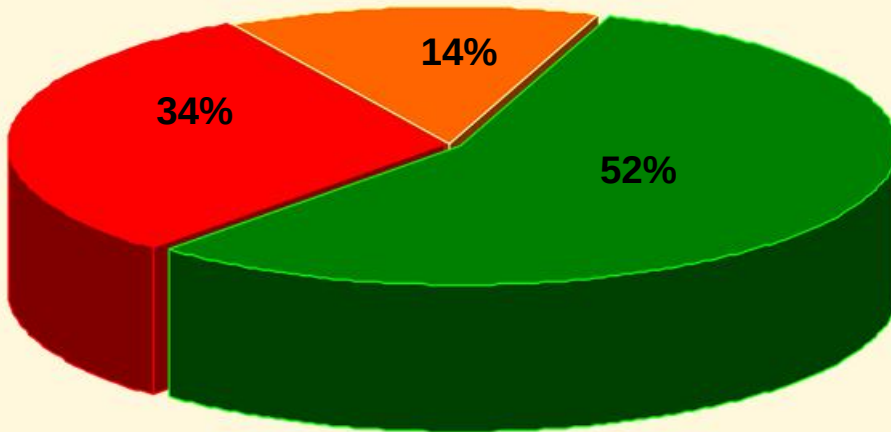
# Industry Trend Toward Service & Replacement (Recurring Revenue)



Source: The Trane Company

- § 5+ million commercial buildings (DOE)
- § Recurring service
- § 20 year replacement cycle
- § "Inventory" of future business
- § OEMs note significant deferred maintenance & replacement over recent years

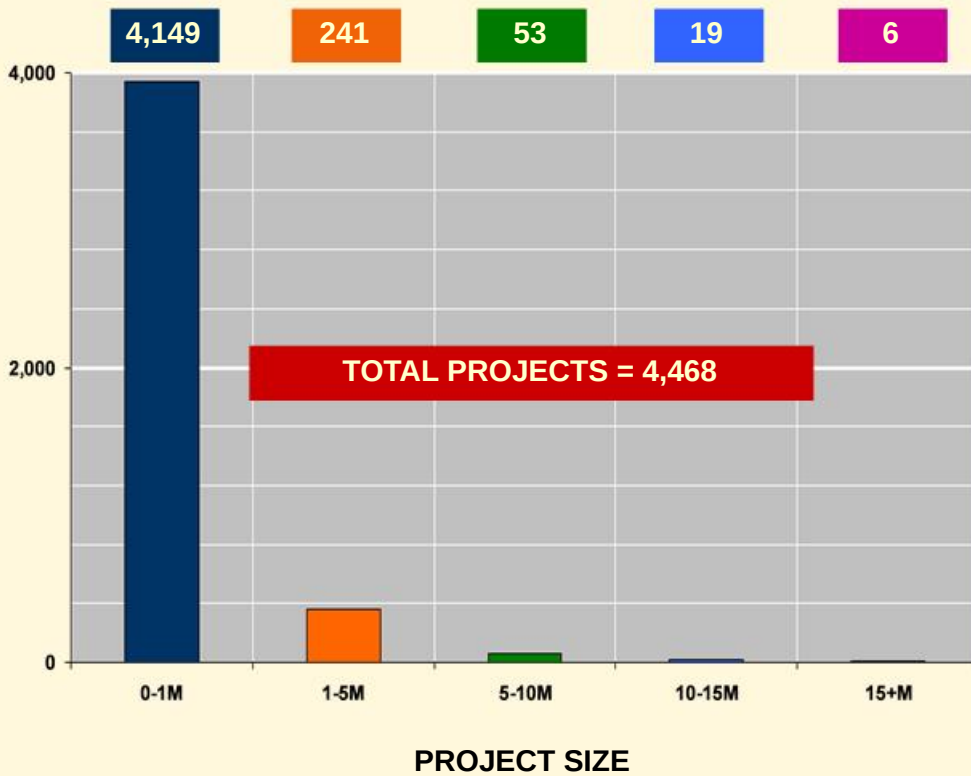
September 2009 YTD



-  Service and Maintenance
-  New Construction/Installation
-  Replacement

# Diverse Project Mix

# OF PROJECTS (As of September 30, 2009)



**Average Project Size**

**\$425,000**

**Average Project Length**

**6-9 months**

**Value of Projects >\$1M**

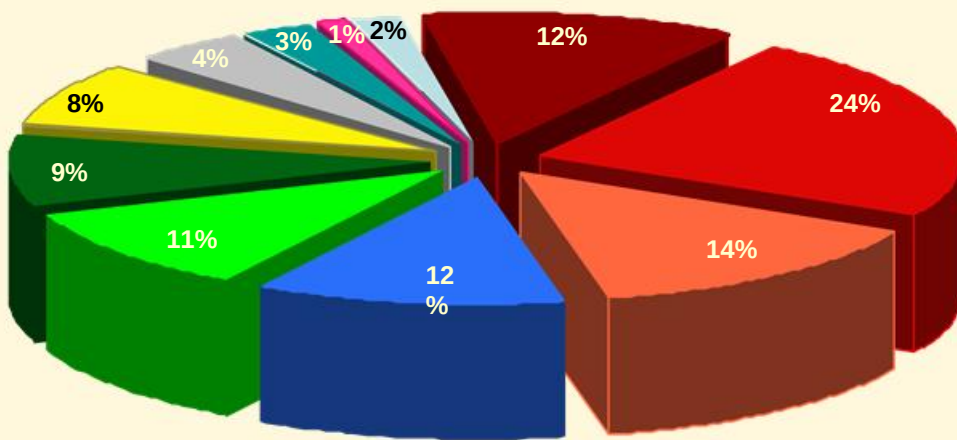
**\$1,286.0M**

**Value of Projects <\$1M**

**\$612.5M**

# Diverse End-Use Base

September 2009 YTD



- Healthcare
- Education
- Government
- Manufacturing
- Office Building
- Multi-Family
- Retail/Restaurants
- Other
- Lodging & Entertainment
- Residential
- Religious & Not-for-Profit

## Top Ten Customers

§ Served by 10 different Comfort operating units

§ Largest customer = less than 2% of revenues

# Diverse End-Use Base



Omni Orlando Resort at  
Champions Gate  
Orlando, Florida



Arboretum Elementary School  
Waunakee, Wisconsin



Iowa Renewal Energy  
Washington, Iowa

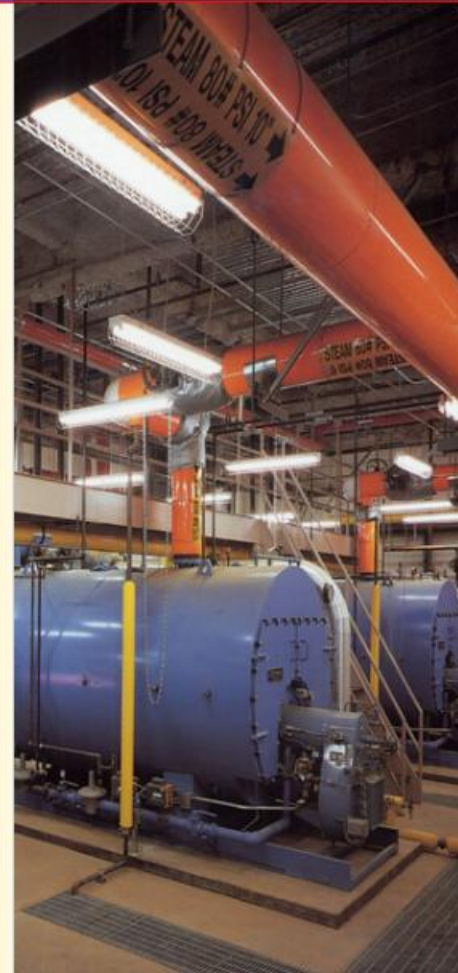


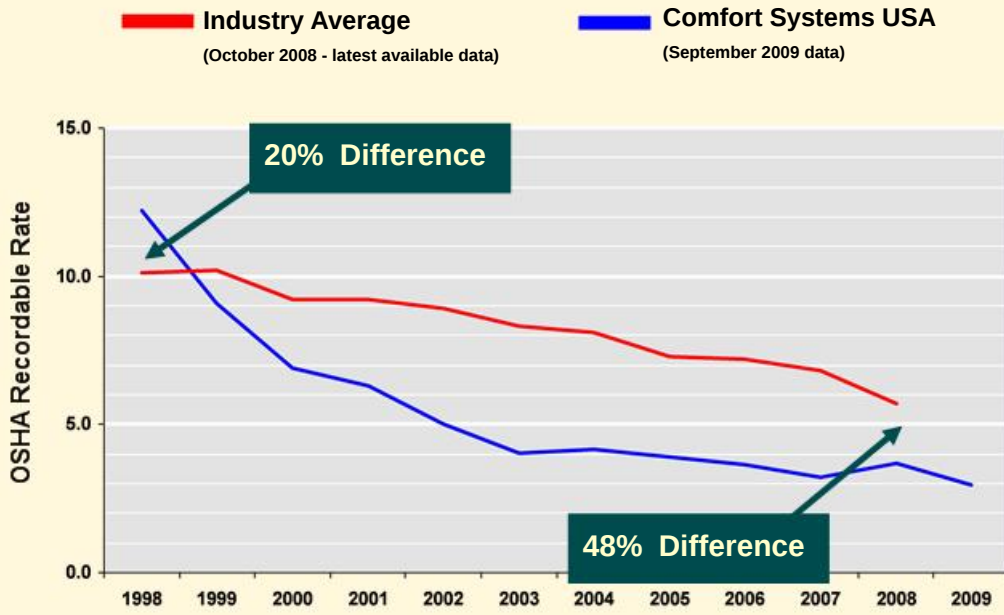
University Hospital  
Little Rock,  
Arkansas



# Competitive Advantages

- § High quality operations
- § Ability to leverage and proliferate technical expertise
- § Ability to collaborate on large jobs and share labor
- § Energy efficiency services
- § National multi-location service capability
- § Purchasing economics
- § Balance sheet strength
- § Bonding and insurance
- § Strong safety record



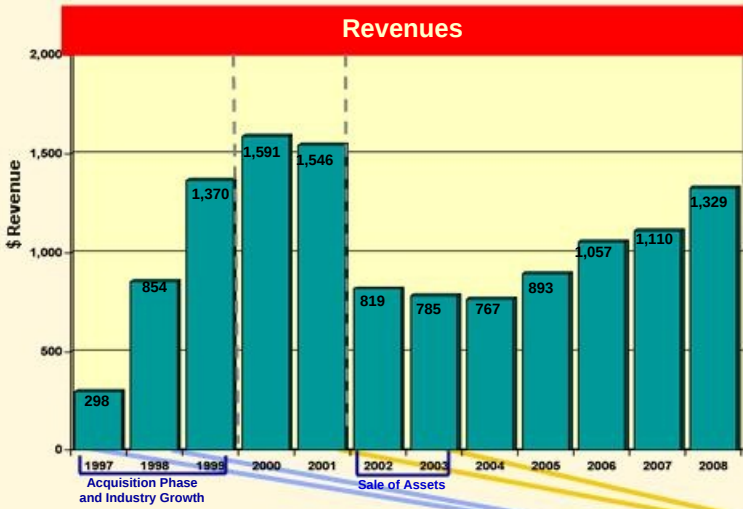


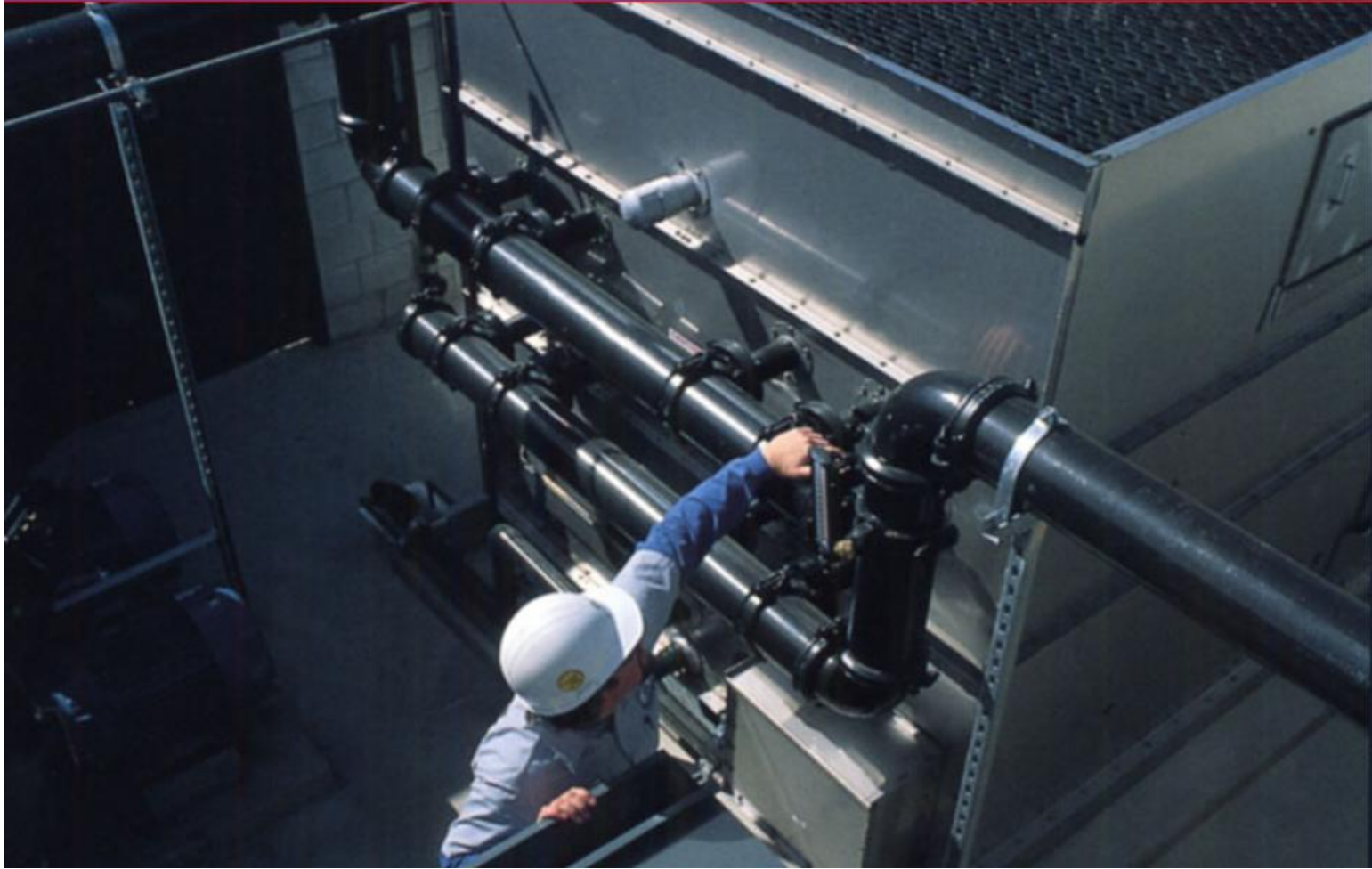
Source: Bureau of Labor Statistics, Standard Industry Classification (SIC) Code 20 1710 - Specialty Trades Contractors - HVAC and Plumbing & North American Industry Classification System (NAICS) Code 23822

- § OSHA Incident Rate decreased from 3.21 to 2.94
- § Lost Time Injury Rate is 63% less than industry average
- § WC claims cost per payroll dollar down from 3.5% to <1%
- § Achieved 97.6% training completed
- § 26% reduction in the overall CSUSA Composite Safety Index Score from January to September

*Our safety record is no accident.*

# History - Financial





# Financial Profile

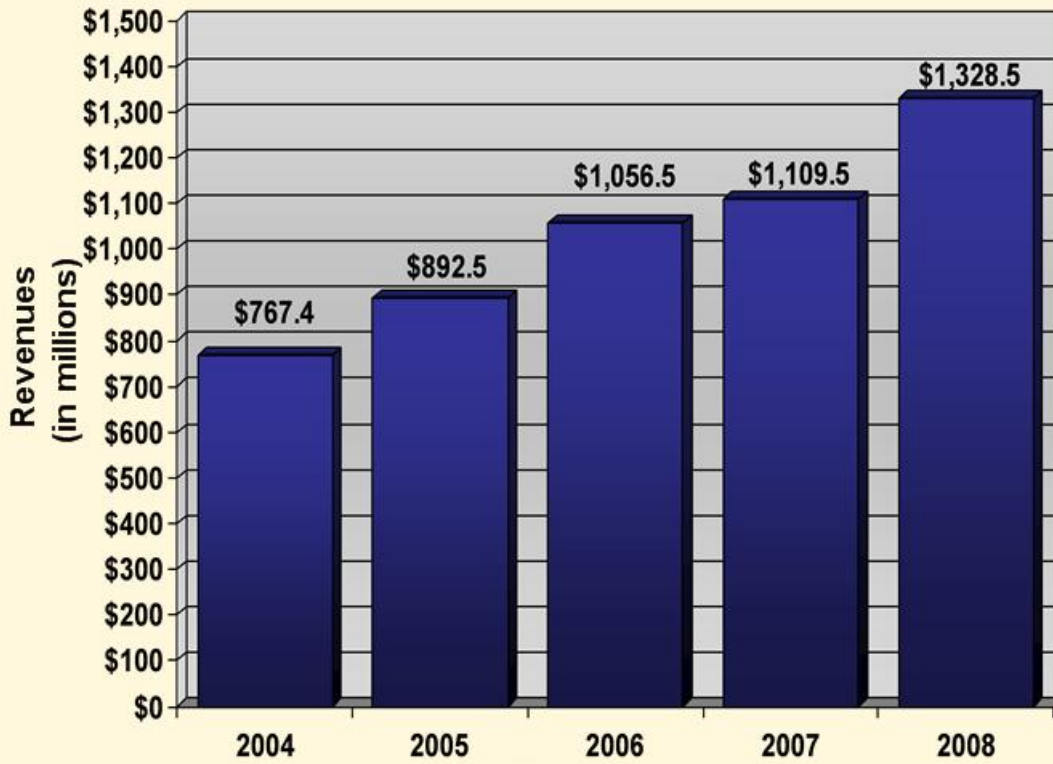


(\$ in millions, except per share amounts)

|   | 3Q       |          | YTD 3Q   |          |
|---|----------|----------|----------|----------|
|   | 2009     | 2008     | 2009     | 2008     |
| Revenues .....                            | \$ 291.6 | \$ 346.7 | \$ 872.2 | \$ 993.9 |
| Adjusted EBITDA (*).....                  | \$ 18.9  | \$ 25.3  | \$ 54.5  | \$ 68.2  |
| % Revenue .....                           | 6.5%     | 7.3%     | 6.2%     | 6.9%     |
| Operating Income .....                    | \$ 15.8  | \$ 21.8  | \$ 44.8  | \$ 59.0  |
| % Revenue .....                           | 5.4%     | 6.3%     | 5.1%     | 5.9%     |
| Net Income - Continuing Operations .....  | \$ 9.5   | \$ 13.7  | \$ 27.1  | \$ 37.1  |
| % Revenue .....                           | 3.3%     | 4.0%     | 3.1%     | 3.7%     |
| Diluted EPS - Continuing Operations ..... | \$ 0.25  | \$ 0.34  | \$ 0.70  | \$ 0.92  |
| Free Cash Flow .....                      | \$ 23.1  | \$ 17.7  | \$ 38.8  | \$ 36.8  |
| Debt .....                                | \$ 8.6   | \$ 14.8  |          |          |
| Cash .....                                | \$ 139.9 | \$ 102.3 |          |          |
| Backlog .....                             | \$ 554.3 | \$ 803.7 |          |          |

\* See Slide 37 for GAAP Reconciliation to Adjusted EBITDA

# Revenues

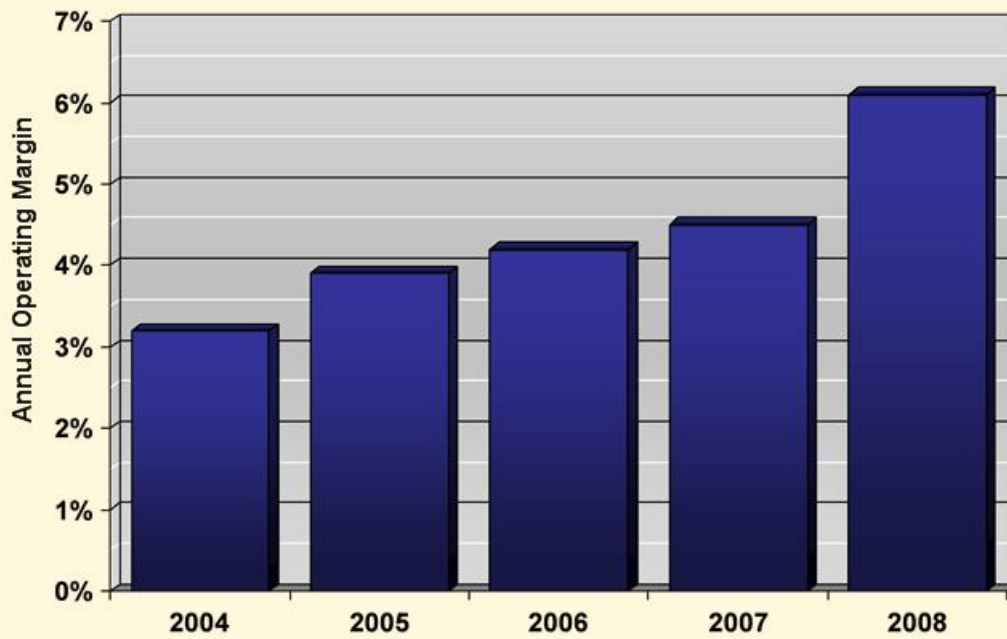


**Revenues for the nine months ended September 30, 2009 were \$872.2 million.**

19 Note: Excludes all divested and discontinued operations



# Operating Margins <sup>(a)</sup>

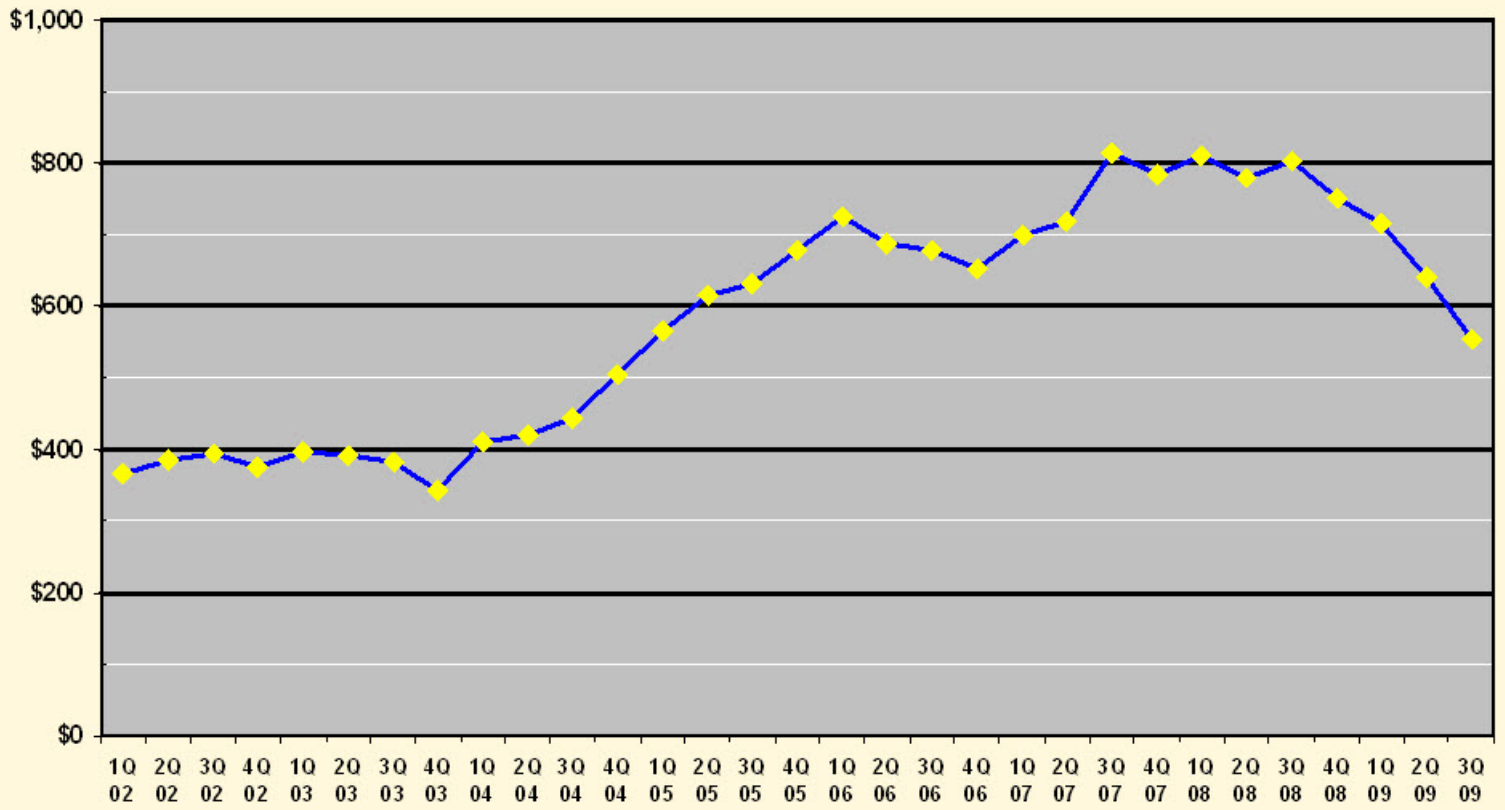


(a) This table includes non-GAAP financial information as the information provided excludes goodwill impairment charges of \$0.6 million and \$33.9 million for 2004 and 2005, respectively. No goodwill impairment charge was recorded for 2006, 2007 or 2008.

(b) Operating margins for the nine months ended September 30, 2009 were 5.1%.



# Backlog (in millions)





# Strong Cash Flows (in millions)



|  | Nine<br>Months<br>Ended<br>Sept. 30,<br>2009 | 2008           | 2007           |
|--|--|----------------|----------------|
| <b>Cash From Operating Activities</b>                    | \$ 44.7                                      | \$ 82.9        | \$ 83.6        |
| <b>Purchases Of Property and<br/>Equipment</b>           | \$ (6.4)                                     | \$ (14.6)      | \$ (11.1)      |
| <b>Proceeds From Sales Of<br/>Property and Equipment</b> | \$ 0.5                                       | \$ 0.6         | \$ 0.3         |
| <b>Free Cash Flow</b>                                    | <u>\$ 38.8</u>                               | <u>\$ 68.9</u> | <u>\$ 72.8</u> |

- § **Market share up - revenue and profit performance better than industry**
- § **Commitment to cost containment**
- § **\$139.9 million cash at 9/30/09; substantial credit capacity if needed**
- § **Positive free cash flow for ten calendar years**





EARNINGS

TIM  
E

CURRENT  
OPERATIONS  
(CONSTRUCTION  
AND SERVICE)

ACQUISITIONS  
ENERGY EFFICIENCY  
INCREMENTAL SERVICE GROWTH



## **Increase Productivity.**

### **§ Education**

- Leadership
- Project Managers
- Superintendents
- Service Sales
- Service Operations
- Craft
- Safety

### **§ Best Practices**

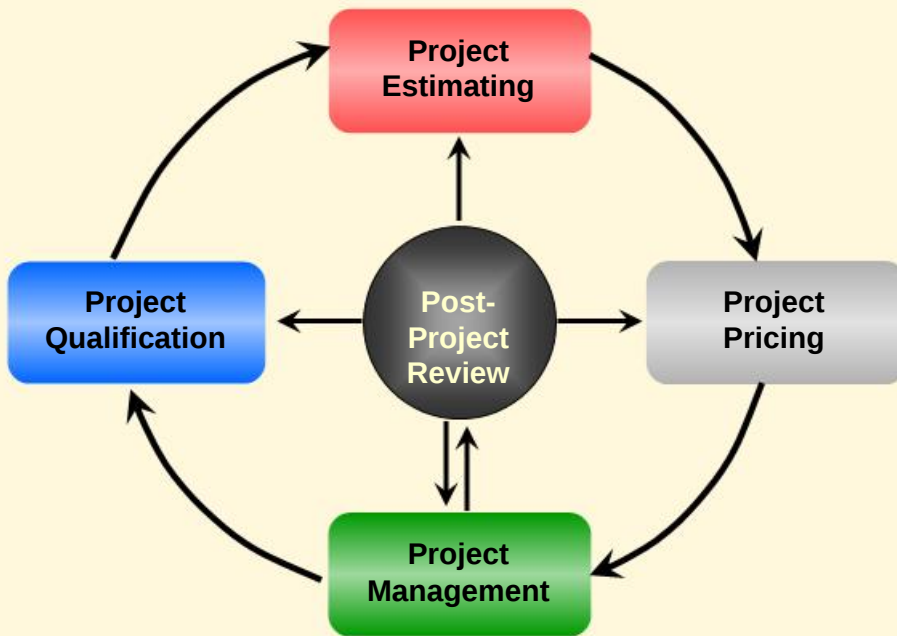
- Project Management
- Estimating

### **§ Cooperation with suppliers**

### **§ Prefabrication**

### **§ New materials and methods**





**We review projects and apply what we have learned to improve our performance.**



***The only things that evolve by themselves in an organization are disorder, friction and malperformance.***

***-Peter Drucker***

## Increase Service\*

- § **Grow Maintenance Base**
- § **Education**
  - Employees and Customers
- § **Higher margin opportunity**
- § **Recurring revenue**
- § **National accounts**
- § **\$2.50+ of repair and replacement for every \$1.00 of maintenance**
- § **Target Retrofit Projects**
  - Energy Efficiency
  - Indoor Air Quality (IAQ)
- \* **Maintenance, service, repair, retrofit**



# National Account Customers





## Green Is Part Of Our Business

- § Energy costs drive need for efficiency
- § HVAC 30% - 65 % electric usage
- § Energy Star (Dept. of Energy/EPA) / LEED (USGBC)
  - 2- 4 year pay outs depending on electric rates, usage, age, incentives



Use Our Energy to Save Yours! <sup>TM</sup>

## § Internal

- More of what we do best
- Service
- Energy efficiency

## § Step Out Growth

- New locations for existing companies
- Techs “on their own”

## § Targeted acquisitions

- Best HVAC oriented mechanical in new area



# The Ideal Candidate

- **\$20 million + in revenue**
- **Construction and service**
- **In a growing market in new area**
- **Company that has performed well in the past and has continuing demonstrable upside**
- **Organizational structure capable of sustaining/improving the company**
- **Ownership/management that wants to stay on to operate company**



(Listed Alphabetically)

- **Boise, ID**
- **Charleston, SC**
- **Columbia/Florence, SC**
- **Dallas/Fort Worth, TX**
- **El Paso, TX**
- **Ft. Lauderdale, FL**
- **Los Angeles, CA**
- **Nashville, TN**
- **Norfolk, VA**
- **Omaha, NE**
- **Portland, OR**
- **Raleigh, NC**
- **Richmond, VA**
- **San Antonio, TX**
- **Savannah, GA**
- **Spartanburg/Greenville, SC**
- **Tampa, FL**
- **Tulsa, OK**

## Long-Term

- § **\$40+ billion fragmented industry**
- § **HVAC is a basic necessity**
- § **Commercial construction continuing**
- § **Growing installed base for recurring maintenance, service, repair and retrofit**
- § **Scale opportunities - service, purchasing, prefab, bonding, best practices**
- § **Diverse customer base and geography**
- § **Energy efficiency and Indoor Air Quality**
- § **Financially and operationally sound - continuing to grow organically and by acquisition**







# Appendix



# Appendix - GAAP Reconciliation To Adjusted EBITDA (in thousands)



|                                | Three Months Ended<br>September 30, |             |                  |             | Nine Months Ended<br>September 30, |             |                  |             |
|--------------------------------|-------------------------------------|-------------|------------------|-------------|------------------------------------|-------------|------------------|-------------|
|                                | 2009                                | %           | 2008             | %           | 2009                               | %           | 2008             | %           |
| Net Income                     | \$ 9,540                            |             | \$ 13,765        |             | \$ 26,580                          |             | \$ 37,199        |             |
| Discontinued Operations        | -                                   |             | (28)             |             | 480                                |             | (115)            |             |
| Income Taxes                   | 6,072                               |             | 8,250            |             | 17,293                             |             | 23,070           |             |
| Other Income                   | (3)                                 |             | -                |             | (5)                                |             | (158)            |             |
| Interest (income) expense, net | 184                                 |             | (188)            |             | 454                                |             | (1,004)          |             |
| Gain on sale of assets         | (101)                               |             | (183)            |             | (98)                               |             | (311)            |             |
| Depreciation and amortization  | 3,250                               |             | 3,659            |             | 9,802                              |             | 9,494            |             |
| <b>Adjusted EBITDA</b>         | <b>\$ 18,942</b>                    | <b>6.5%</b> | <b>\$ 25,275</b> | <b>7.3%</b> | <b>\$ 54,506</b>                   | <b>6.2%</b> | <b>\$ 68,175</b> | <b>6.9%</b> |

Note 1: The Company defines adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") as net income, excluding discontinued operations, income taxes, other income, interest (income) expense, net, gain on sale of assets and depreciation and amortization. Other companies may define Adjusted EBITDA differently. Adjusted EBITDA is presented because it is a financial measure that is frequently requested by third parties. However, Adjusted EBITDA is not considered under generally accepted accounting principles as a primary measure of an entity's financial results, and accordingly, Adjusted EBITDA should not be considered an alternative to operating income, net income, or cash flows as determined under generally accepted accounting principles and as reported by the Company.



*Quality People. Building Solutions.*

CONTACT:

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**Executive Vice President and CFO**

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**[www.comfortsystemsusa.com](http://www.comfortsystemsusa.com)**

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