



Quality People. Building Solutions.

Q2 2025 Earnings Call

NYSE: FIX

July 25, 2025

SAFE HARBOR

Certain statements and information in this presentation may constitute forward-looking statements within the meaning of 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 presentation. 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 presentation, 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 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; rising inflation and fluctuations in interest rates; shortages of labor and specialty building materials or material increases to the cost thereof; the Company’s business being negatively affected by health crises or outbreaks of disease, such as epidemics or pandemics (and related impacts, such as supply chain disruptions); 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 cost-to-cost input 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; 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, such as challenges to our ability to integrate those companies into our internal control environment; our ability to manage growth and geographically-dispersed operations; our ability to obtain financing on acceptable terms; extreme weather conditions (such as storms, droughts, extreme heat or cold, wildfires and floods), including as a result of climate change, and any resulting regulations or restrictions related thereto; 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 because of new information, future events, or otherwise.

NON-GAAP MEASURES

Certain measures in this presentation are not measures calculated in accordance with generally accepted accounting principles (“GAAP”). They should not be considered a replacement for GAAP results. Non-GAAP financial measures appearing in these slides are identified in the footnote. See the Appendices for a reconciliation of these non-GAAP measures to the most comparable GAAP financial measures.

Q2 2025 FINANCIAL RESULTS HIGHLIGHTS

Q2 2025 Revenue was \$2.17 billion compared to \$1.81 billion in Q2 2024

Gross Profit percentage increased to 23.5% vs. 20.1% in Q2 2024

SG&A increased to \$210.5 million from \$179.5 million in Q2 2024

EPS was \$6.53 per diluted share compared to \$3.74 in Q2 2024

Q2 2025 Cash Flow from Operations was \$252.5 million compared to \$189.9 million in Q2 2024

Q2 2025 Backlog was \$8.12 billion compared to \$6.89 billion in Q1 2025 and \$5.77 billion in Q2 2024

KEY FINANCIAL DATA – INCOME STATEMENT - QTD

(\$ Thousands, Except Per Share Data) (Unaudited)

	For the Three Months Ended					
	June 30,				Variance	
	2025		2024		\$	%
Revenue	\$ 2,173,319	100.0%	\$ 1,810,290	100.0%	\$ 363,029	20.1%
Cost of Services	1,663,422	76.5%	1,446,694	79.9%	216,728	15.0%
Gross Profit	509,897	23.5%	363,596	20.1%	146,301	40.2%
Selling, General and Administrative Expenses	210,466	9.7%	179,537	9.9%	30,929	17.2%
Gain on Sale of Assets	(442)	—	(611)	—	169	-27.7%
Operating Income	<u>\$ 299,873</u>	13.8%	<u>\$ 184,670</u>	10.2%	<u>\$ 115,203</u>	<u>62.4%</u>
Net Income	<u>\$ 230,848</u>	10.6%	<u>\$ 134,009</u>	7.4%	<u>\$ 96,839</u>	<u>72.3%</u>
Diluted EPS	<u>\$ 6.53</u>		<u>\$ 3.74</u>		<u>\$ 2.79</u>	<u>74.6%</u>
Adjusted EBITDA ⁽¹⁾	\$ 334,078	15.4%	\$ 222,739	12.3%	\$ 111,339	50.0%

(1) See Slide 11 for GAAP Reconciliation to Adjusted EBITDA

KEY FINANCIAL DATA – BALANCE SHEET

(\$ Millions)

	<u>6/30/2025</u> (Unaudited)	<u>12/31/2024</u>
Cash	\$ 331.7	\$ 549.9
Working Capital	\$ 343.7	\$ 207.5
Goodwill	\$ 927.8	\$ 875.3
Intangible Assets, Net	\$ 451.4	\$ 434.4
Total Debt	\$ 73.0	\$ 68.3
Equity	\$ 1,971.2	\$ 1,704.7

2025 YTD FINANCIAL RESULTS HIGHLIGHTS

2025 YTD Revenue was \$4.00 billion compared to \$3.35 billion for the same period in 2024

Gross Profit percentage increased to 22.8% from 19.7% for the same period in 2024

SG&A increased to \$405.3 million from \$342.3 million for the same period in 2024

EPS was \$11.28 per diluted share compared to \$6.43 for the same period in 2024

2025 YTD Cash Flow from Operations was \$164.5 million compared to \$336.4 million for the same period in 2024

KEY FINANCIAL DATA – INCOME STATEMENT - YTD

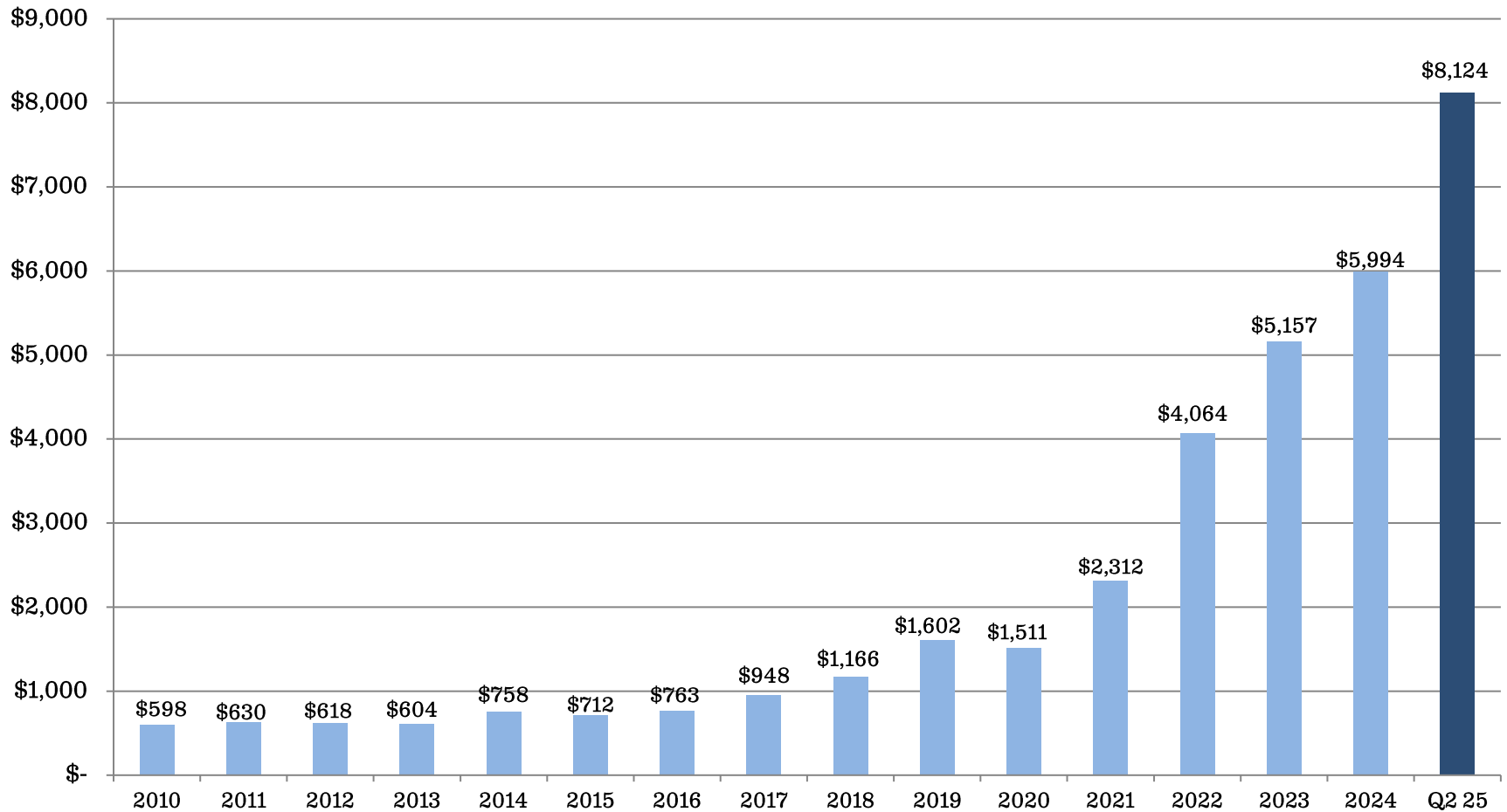
(\$ Thousands, Except Per Share Data) (Unaudited)

	For the Six Months Ended				Variance				
	June 30,								
	2025		2024		\$	%			
Revenue	\$	4,004,605	100.0%	\$	3,347,306	100.0%	\$	657,299	19.6%
Cost of Services		3,091,292	77.2%		2,686,347	80.3%		404,945	15.1%
Gross Profit		913,313	22.8%		660,959	19.7%		252,354	38.2%
Selling, General and Administrative Expenses		405,340	10.1%		342,260	10.2%		63,080	18.4%
Gain on Sale of Assets		(998)	—		(1,431)	—		433	-30.3%
Operating Income	\$	508,971	12.7%	\$	320,130	9.6%	\$	188,841	59.0%
Net Income	\$	400,137	10.0%	\$	230,328	6.9%	\$	169,809	73.7%
Diluted EPS	\$	11.28		\$	6.43		\$	4.85	75.4%
Adjusted EBITDA ⁽¹⁾	\$	576,745	14.4%	\$	392,546	11.7%	\$	184,199	46.9%

⁽¹⁾ See Slide 11 for GAAP Reconciliation to Adjusted Net Income and EPS

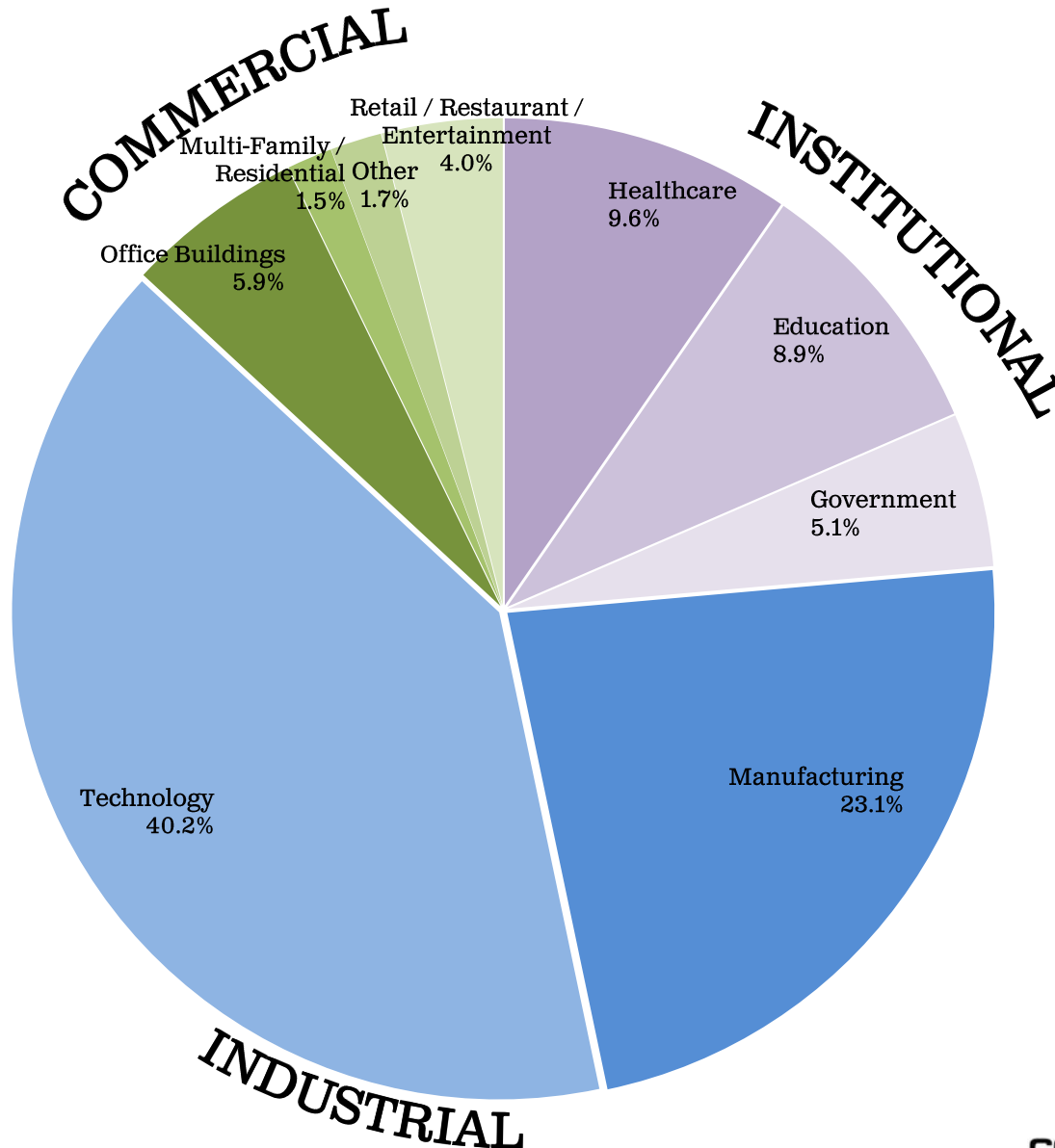
BACKLOG

(\$ Millions) (Unaudited)



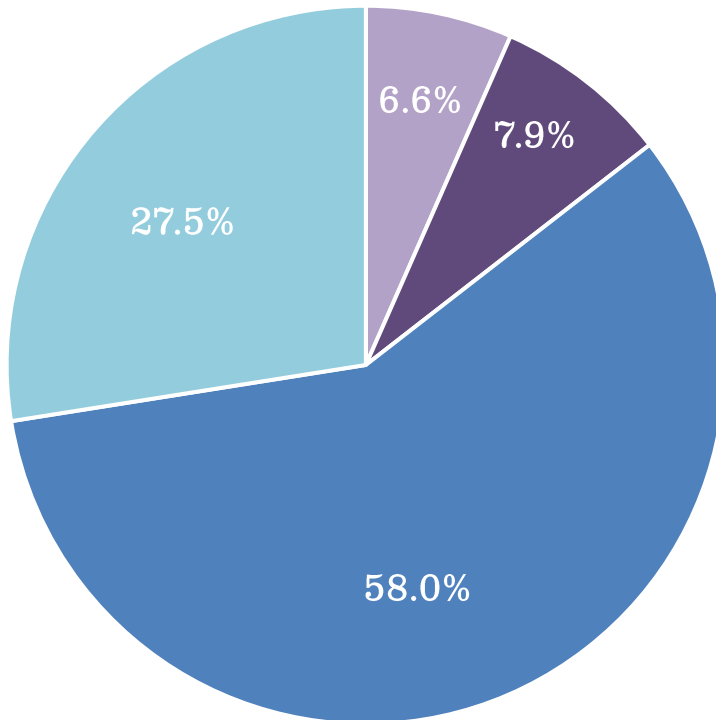
REVENUE BY TYPE OF CUSTOMER

(YTD)

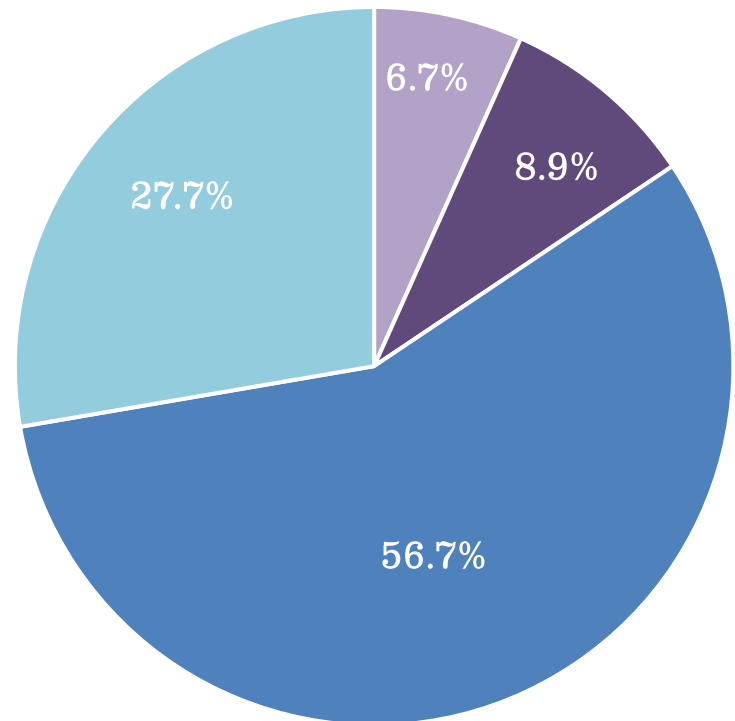


REVENUE BY ACTIVITY TYPE

YTD 2025



Annual 2024



● New Construction ● Existing Building Construction ● Service Projects ● Service Calls, Maintenance & Monitoring

APPENDIX

APPENDIX I – GAAP RECONCILIATION TO ADJUSTED EBITDA

(\$ Thousands) (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net Income	\$ 230,848	\$ 134,009	\$ 400,137	\$ 230,328
Provision for Income Taxes	65,636	35,646	104,359	62,383
Other Expense (Income), net	530	(119)	506	(236)
Changes in the Fair Value of Contingent				
Earn-out Obligations	4,073	14,689	7,831	27,180
Interest Expense (Income), net	(1,214)	445	(3,862)	475
Gain on Sale of Assets	(442)	(611)	(998)	(1,431)
Amortization	19,791	26,890	39,906	50,803
Depreciation	14,856	11,790	28,866	23,044
Adjusted EBITDA	<u>\$ 334,078</u>	<u>\$ 222,739</u>	<u>\$ 576,745</u>	<u>\$ 392,546</u>

Note: The Company defines adjusted earnings before interest, taxes, depreciation and amortization (“Adjusted EBITDA”) as net income, provision for income taxes, other expense (income), net, changes in the fair value of contingent earn-out obligations, interest expense (income), net, gain on sale of assets, goodwill impairment, other one-time expenses or gains 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.

APPENDIX II – GAAP RECONCILIATION TO FREE CASH FLOW

(\$ Thousands) (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Cash from Operating Activities	\$ 252,495	\$ 189,858	\$ 164,545	\$ 336,415
Purchases of Property and Equipment	(31,273)	(23,384)	(53,481)	(48,336)
Proceeds from Sales of Property and Equipment	969	815	2,064	1,829
Free Cash Flow	<u>\$ 222,191</u>	<u>\$ 167,289</u>	<u>\$ 113,128</u>	<u>\$ 289,908</u>

Note: Free cash flow is defined as cash flow from operating activities less customary capital expenditures, plus the proceeds from asset sales. Other companies may define free cash flow differently. Free cash flow is presented because it is a financial measure that is frequently requested by third parties. However, free cash flow is not considered under generally accepted accounting principles as a primary measure of an entity's financial results, and accordingly, free cash flow 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.