

First Cut Stock Study

Dan Harter
and
Robin Ware

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Agenda

- **BetterInvesting First Cut Stock Reports**
- **Comfort Systems USA**

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First Cut Stock Reports

- Created by BetterInvesting Members
 - Completed Stock Selection Guide
 - Written report sharing why each judgment was made
- BetterInvesting.org Web Site
 - Find Great Stocks
 - First Cut Stock Reports
- BetterInvesting Weekly E-Newsletter
 - Check you settings under My Account, Email and Product Subscription Information
- Template is a Word document
 - Fillable fields
 - Includes instructions to submit

Comfort Systems USA

- Leading national mechanical, electrical and plumbing (“MEP”) installation and service provider
- \$2.8B annual revenue
- 147 locations, 116 cities, 36 operating units
- 11,400+ employees
- History of profitable growth
- Balanced construction and service portfolio

Comfort Systems USA

%	Customers
31.1	Industrial
15.4	Education
13.5	Office Buildings
16.2	Healthcare
6.2	Government
9.7	Retail, Restaurants, Entertainment
4.4	Multi-Family, Residential
3.5	Other

88.5% Mechanical
11.5% Electrical

%	Business Segments
43.7	New Construction
31.9	Existing Construction
9.1	Service Projects
15.3	Service Calls/Maint//Monitor

Comfort Systems USA

FOCUS ON CASH FLOW

- Positive free cash flow for 21 consecutive years
- Increased dividend for 7 consecutive years
- \$70.5M cash at September 30, 2020 up from June 2020 (\$53.3M)
- \$222.3M total debt at September 30, 2020 down from June 2020 (\$231.5M)
- Debt capacity –
 - \$600M senior credit facility
 - 2025 maturity

Comfort Systems USA

COMPETITIVE ANALYSIS

	Comfort Systems USA	Emcor	Tutor Perini
Market Share	8.73	26.92	17.63
Sales Growth	8.7	5.8	3.4
EPS Growth	68	71.9	-16.8
% PTP on Sales	6	4.4	0.2
ROE	17.6	13.6	-0.05
P/E	14.9	35.6	NMF
Avg P/E	18.9	16.5	13.9

Comfort Systems USA

Estimates for SSG Pg 1

Growth	10 Year	5 Year	Yahoo	Zacks	Morningstar	Value Line	Member Sentiment
% Sales	8.7	13.8					9.5
% EPS	68.0	25.6	10		10		9.2

5 Year Estimates

____ % Sales Growth
____ % EPS Growth

Questions

Robin Ware

rwfincon@gmail.com

Dan Harter

dan.m.harter@gmail.com

727-871-0654