



Comfort Systems USA, Inc. (FIX)

Updated February 23rd, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	\$1,445	5 Year Annual Expected Total Return:	11.3%	Market Cap:	\$51.4 B
Fair Value Price:	\$1,216	5 Year Growth Estimate:	15.0%	Ex-Dividend Date:	03/06/26
% Fair Value:	119%	5 Year Valuation Multiple Estimate:	-3.4%	Dividend Payment Date:	03/17/26
Dividend Yield:	0.2%	5 Year Price Target	\$2446	Years Of Dividend Growth:	14
Dividend Risk Score:	A	Sector:	Industrials	Rating:	Hold

Overview & Current Events

Comfort Systems USA, Inc. provides mechanical and electrical contracting services, including HVAC, plumbing, piping, controls, off-site construction, fire protection and electrical system installation and servicing. The company operates through 50 operating units with 190 locations in 142 cities across the United States. Serving primarily commercial, industrial and institutional markets, it works across sectors such as technology, manufacturing, healthcare, education and government. Last year, Comfort Systems generated \$9.10 billion in revenue, with 63.2% derived from installation services in newly constructed facilities and 36.8% from renovation, expansion, maintenance, repair and replacement services in existing buildings

On February 19th, 2026, Comfort Systems USA, Inc. reported its Q4 and full-year results for the period ending December 31st, 2025. Revenue for the fourth quarter was \$2.65 billion, compared to \$1.87 billion in the prior year period, reflecting continued strong execution and sustained demand across its end markets. Backlog reached \$11.94 billion as of December 31, 2025, up from \$9.38 billion at September 30, 2025 and \$5.99 billion a year earlier. On a same-store basis, backlog increased from \$5.99 billion at year-end 2024 to \$11.58 billion at year-end 2025, marking a third consecutive same-store backlog increase exceeding \$1 billion.

EPS for the quarter more than doubled year-over-year to \$9.37, compared to \$4.09 in Q4 2024, as net income rose to \$330.8 million from \$145.9 million. Operating cash flow increased to \$468.5 million in the quarter versus \$210.5 million in the prior year. For the full year 2025, the company generated \$9.10 billion in revenue, \$1.02 billion in net income, and \$1.19 billion in operating cash flow, with both net income and cash flow surpassing \$1 billion for the year. EPS came in at \$28.93. For FY2026, we believe the company will achieve EPS of \$38.00.

On February 20th, 2026, Comfort Systems raised its dividend by 20.0% QoQ and 75% YoY to a quarterly rate of \$0.70.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$1.74	\$1.48	\$3.03	\$3.10	\$4.11	\$3.95	\$6.84	\$9.03	\$14.64	\$28.93	\$38.00	\$76.43
DPS	\$0.28	\$0.30	\$0.33	\$0.40	\$0.43	\$0.48	\$0.56	\$0.85	\$1.20	\$1.95	\$2.80	\$5.63
Shares¹	37.8	37.7	37.6	37.1	36.7	36.5	36.0	35.9	35.8	35.4	35.4	34.0

Over the past decade, Comfort Systems' EPS CAGR of 37% has been fueled by several key factors. Rising demand for energy efficient HVAC and electrical systems, driven by sustainability initiatives and stricter building standards, has remained a key driver. As businesses and institutions focus on lowering energy consumption, improving air quality and upgrading aging infrastructure, investment in modern mechanical and electrical systems has continued to expand.

More recently, growth has accelerated due to large scale investments in data centers, advanced manufacturing and semiconductor facilities, along with reshoring and infrastructure spending trends. These projects require complex and highly reliable MEP systems, benefiting contractors with strong design build and prefabrication capabilities. Continued

¹ Share count is in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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strength in technology and manufacturing markets, combined with strategic acquisitions and record backlog levels, has further supported the company's rapid revenue and earnings expansion.

Looking ahead, the company remains well positioned to continue growing. Demand for energy efficient and mission critical HVAC and electrical systems, supported by data center expansion, advanced manufacturing investment and ongoing infrastructure spending, should sustain strong project pipelines and backlog visibility. For this reason, we have our earnings and dividend growth at 15% through 2031. It's also worth noting that the company's massive backlog provides significant cash flow visibility.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	17.2	23.3	14.8	16.1	11.0	17.6	13.6	15.9	19.7	21.6	38.0	32.0
Avg. Yld.	0.9%	0.9%	0.7%	0.8%	1.0%	0.7%	0.6%	0.6%	0.4%	0.3%	0.2%	0.2%

Comfort Systems has historically traded at a P/E in the mid-teens. The stock is now trading at roughly 38 times our expected EPS. This above-average multiple is due to exceptional revenue growth along with a margin expansion that has led to exceptional earnings growth prospects. We believe the company's growth deserves a premium. Still, we have set our fair multiple to a more reasonable 32 times earnings. Regarding the yield, it has historically been weak. While the company has grown the dividend rapidly, share price gains have outpaced this growth. We expect this trend to endure.

Safety, Quality, Competitive Advantage, & Recession Resiliency

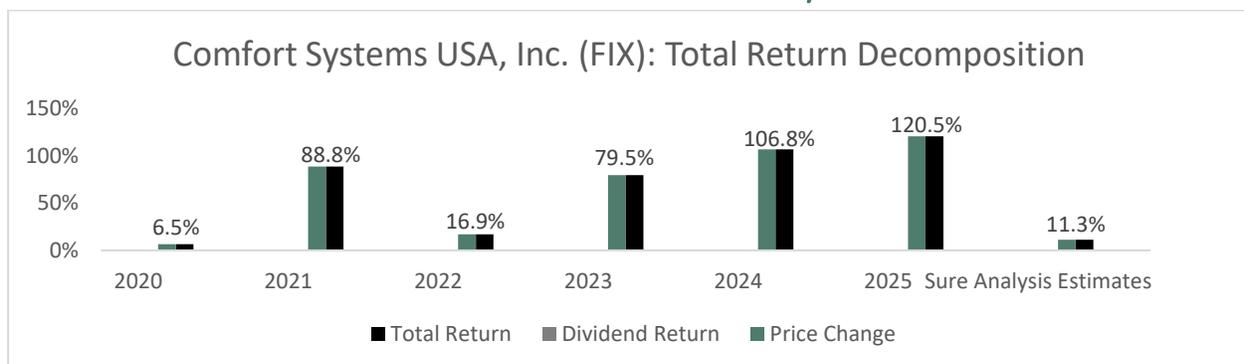
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	16%	20%	11%	13%	10%	12%	8%	9%	8%	7%	7%	7%

Comfort Systems USA as several qualities, such as a diversified service portfolio and a broad geographic which provide a competitive edge. Its expertise in critical services like HVAC, electrical, and plumbing systems gives it a stable demand, particularly in areas like healthcare and education, which are less sensitive to economic downturns. The company's ability to secure long-term contracts for maintenance and upgrades ensures steady revenue streams too. However, despite these strengths, the company's reliance on new construction projects, which are more vulnerable to economic cycles, could pose challenges during a recession. Regardless, we believe the dividend is safe.

Final Thoughts & Recommendation

Comfort Systems USA has experienced strong growth thanks to rising demand for energy-efficient systems and its broad service capabilities across key sectors. Its diverse service offerings and extensive geographic presence provide stability and competitive advantages, though its dependence on new construction projects can introduce some variability. We believe the stock can achieve annualized returns of 11.3% moving forward, driven by our growth estimates, the tiny dividend, and by possibility of a valuation headwind. Shares earn a hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	1,581	1,634	1,788	2,183	2,615	2,857	3,074	4,140	5,207	7,027
Gross Profit	318	344	366	446	502	547	563	742	991	1,476
Gross Margin	20.1%	21.0%	20.5%	20.4%	19.2%	19.1%	18.3%	17.9%	19.0%	21.0%
SG&A Exp.	229	243	267	297	340	358	376	489	574	730
D&A Exp.	23	26	37	43	52	61	69	81	82	145
Operating Profit	89	101	100	149	162	189	187	252	416	746
Operating Margin	5.6%	6.2%	5.6%	6.8%	6.2%	6.6%	6.1%	6.1%	8.0%	10.6%
Net Profit	49	65	55	113	114	150	143	246	323	522
Net Margin	3.1%	4.0%	3.1%	5.2%	4.4%	5.3%	4.7%	5.9%	6.2%	7.4%
Free Cash Flow	77	68	79	120	110	262	158	253	545	738
Income Tax	31	36	46	36	37	41	47	(10)	65	144

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	692	709	881	1,063	1,505	1,757	2,209	2,597	3,306	4,711
Cash & Equivalents	56	32	37	46	51	55	59	57	205	550
Acct. Recv.	302	319	383	481	619	620	774	1,024	1,319	1,861
Inventories	8	9	10	12	10	13	22	35	66	59
Goodwill & Intang.	185	192	277	330	492	696	897	886	947	1,310
Total Liabilities	327	332	463	565	920	1,061	1,403	1,598	2,028	3,006
Accounts Payable	107	103	132	176	196	204	255	337	420	655
Long-Term Debt	11	3	61	77	226	236	388	256	44	68
Shareholder's Equity	347	377	418	498	585	696	806	1,000	1,278	1,705
LTD/E Ratio	0.03	0.01	0.14	0.15	0.39	0.34	0.48	0.26	0.03	0.04

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	7.3%	9.3%	7.0%	11.6%	8.9%	9.2%	7.2%	10.2%	11.0%	13.0%
Return on Equity	14.4%	17.5%	13.9%	24.7%	21.1%	23.4%	19.1%	27.2%	28.4%	35.0%
ROIC	13.4%	17.2%	12.9%	21.4%	16.5%	17.2%	13.5%	20.1%	25.1%	33.8%
Shares Out.	37.9	37.8	37.7	37.6	37.1	36.7	36.5	36.0	35.9	35.8
Revenue/Share	41.74	43.22	47.46	58.07	70.43	77.76	84.32	114.86	145.06	196.44
FCF/Share	2.03	1.80	2.09	3.19	2.97	7.14	4.33	7.02	15.18	20.63

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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