Comfort Systems USA, Inc. (FIX)

Updated August 10th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$1,700	**5 Year Annual Expected Total Return:**	13.8%	**Market Cap:**	$60 B
Fair Value Price:	$1,600	**5 Year Growth Estimate:**	15.0%	**Ex-Dividend Date:**	08/13/26
% Fair Value:	106%	**5 Year Valuation Multiple Estimate:**	-1.2%	**Dividend Payment Date:**	08/24/26
Dividend Yield:	0.2%	**5 Year Price Target**	$3,218	**Years Of Dividend Growth:**	15
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 July 23rd, 2026, Comfort Systems USA posted its Q2 results for the period ending June 30th, 2026. Revenue increased 50.3% year-over-year to $3.27 billion, reflecting strong execution and particularly robust demand from technology and data-center customers. Backlog reached $14.06 billion, up from $12.45 billion at the end of Q1 and $8.12 billion a year earlier. On a same-store basis, backlog increased 68.7% year-over-year to $13.70 billion, while same-store revenue grew 43.8%. During the quarter, Comfort Systems also acquired electrical contractor R.C. Hunt Electric for approximately $206 million.

EPS nearly doubled year-over-year to $12.53, compared to $6.53 in Q2 2025, as net income rose to $441.6 million from $230.8 million. Operating cash flow surged to $1.14 billion from $252.5 million. Adjusted EBITDA increased to $600.5 million, or 18.4% of revenue, compared to $334.1 million, or 15.4% of revenue, in Q2 2025. Management remained optimistic about results through the remainder of 2026 and well into 2027, supported by strong project pipelines. For FY2026, we believe the company will achieve EPS of $50.00.

Comfort Systems also raised its quarterly dividend by 12.5% QoQ and 100% YoY to $0.90 per share.

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	***$50.00***	***$100.57***
DPS	$0.28	$0.30	$0.33	$0.40	$0.43	$0.48	$0.56	$0.85	$1.20	$1.95	***$3.60***	***$8.96***
Shares[1]	37.8	37.7	37.6	37.1	36.7	36.5	36.0	35.9	35.8	35.4	***35.3***	***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.

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 growth estimate at 15% and our dividend growth estimate at 20% 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	***34.0***	***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%***	***0.3%***

Comfort Systems has historically traded at a P/E in the mid-teens. The stock is now trading at 34x our expected EPS. This above-average multiple is due to exceptional revenue growth along with a margin expansion that has led to stellar EPS growth prospects. We believe the company's growth deserves a premium. Still, we have set our fair multiple to a slightly lower 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.

Safety, Quality, Competitive Advantage, & Recession Resiliency

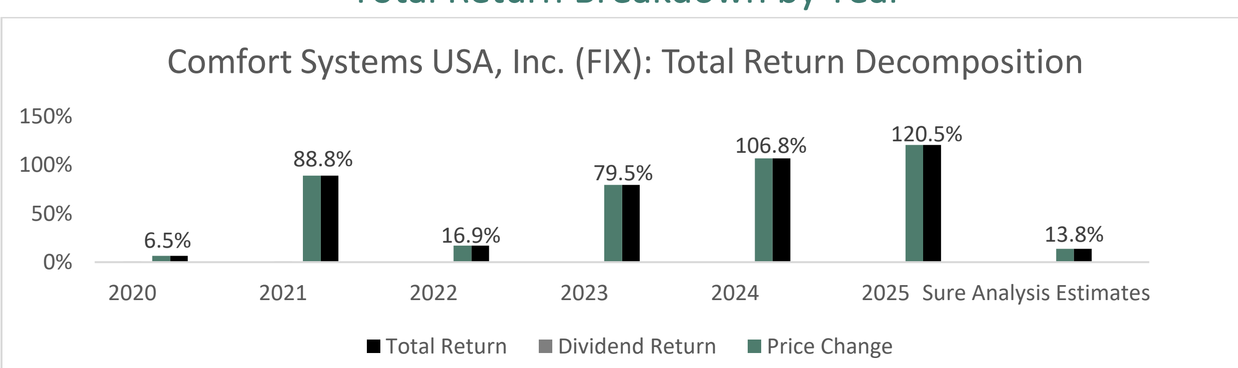
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	16%	20%	11%	13%	10%	12%	8%	9%	8%	7%	***7%***	***9%***

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 13.8% moving forward, driven by our growth estimates, the small dividend yield, and a possible of a valuation headwind. Shares earn a hold rating.

Total Return Breakdown by Year



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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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	1,634	1,788	2,183	2,615	2,857	3,074	4,140	5,207	7,027	9,102
Gross Profit	344	366	446	502	547	563	742	991	1,476	2,196
Gross Margin	21.0%	20.5%	20.4%	19.2%	19.1%	18.3%	17.9%	19.0%	21.0%	24.1%
SG&A Exp.	243	267	297	340	358	376	489	574	730	883
D&A Exp.	26	37	43	52	61	69	81	82	145	142
Operating Profit	101	100	149	162	189	187	252	416	746	1,313
Operating Margin	6.2%	5.6%	6.8%	6.2%	6.6%	6.1%	6.1%	8.0%	10.6%	14.4%
Net Profit	65	55	113	114	150	143	246	323	522	1,023
Net Margin	4.0%	3.1%	5.2%	4.4%	5.3%	4.7%	5.9%	6.2%	7.4%	11.2%
Free Cash Flow	68	79	120	110	262	158	253	545	738	1,028
Income Tax	36	46	36	37	41	47	(10)	65	144	271

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	709	881	1,063	1,505	1,757	2,209	2,597	3,306	4,711	6,441
Cash & Equivalents	32	37	46	51	55	59	57	205	550	982
Acct. Recv.	319	383	481	619	620	774	1,024	1,319	1,861	2,790
Inventories	9	10	12	10	13	22	35	66	59	84
Goodwill & Intang.	192	277	330	492	696	897	886	947	1,310	1,511
Total Liabilities	332	463	565	920	1,061	1,403	1,598	2,028	3,006	3,992
Accounts Payable	103	132	176	196	204	255	337	420	655	696
Long-Term Debt	3	61	77	226	236	388	256	44	68	448
Shareholder's Equity	377	418	498	585	696	806	1,000	1,278	1,705	2,449
LTD/E Ratio	0.01	0.14	0.15	0.39	0.34	0.48	0.26	0.03	0.04	0.20

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	9.3%	7.0%	11.6%	8.9%	9.2%	7.2%	10.2%	11.0%	13.0%	18.3%
Return on Equity	17.5%	13.9%	24.7%	21.1%	23.4%	19.1%	27.2%	28.4%	35.0%	49.2%
ROIC	17.2%	12.9%	21.4%	16.5%	17.2%	13.5%	20.1%	25.1%	33.8%	41.4
Shares Out.	37.8	37.7	37.6	37.1	36.7	36.5	36.0	35.9	35.8	35.4
Revenue/Share	43.22	47.46	58.07	70.43	77.76	84.32	114.86	145.06	196.44	257.01
FCF/Share	1.80	2.09	3.19	2.97	7.14	4.33	7.02	15.18	20.63	29.02

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