



## CCOM Group, Inc. Reports 2014 Results

HAWTHORNE, New Jersey (March 30, 2015) – CCOM Group, Inc. (“CCOM”) (OTC Pink: “CCOM,” “CCOMP”), announced its financial results for the year ended December 31, 2014.

Results for the year ended December 31, 2014 compared to results for the same period in 2013:

- Sales decreased 8.4% to \$81,048,785 from \$88,458,677
- Gross profit decreased 4.2% to \$21,400,992 from \$22,327,630
- Selling, general and administrative expenses decreased 3.5% to \$20,240,991 from \$20,980,190
- Operating income decreased 13.9% to \$1,160,001 from \$1,347,440
- Net income decreased 74.5% to \$761,240 from \$2,983,212; the 2014 amount includes a \$25,153 non-cash income tax expense and the 2013 amount includes a \$2,074,500 non-cash income tax benefit
- Net income per share on a fully diluted basis decreased to \$0.08 from \$0.32 per share

### About CCOM Group, Inc.

CCOM Group, Inc. (“CCOM”) distributes heating, ventilating and air conditioning equipment (HVAC), parts and accessories, whole-house generators, climate control systems, appliances and plumbing and electrical fixtures and supplies, primarily in New Jersey, New York, Massachusetts and portions of eastern Pennsylvania, Connecticut and Vermont through its subsidiaries: Universal Supply Group, Inc., [www.usginc.com](http://www.usginc.com), The RAL Supply Group, Inc., [www.ralsupply.com](http://www.ralsupply.com), American/Universal Supply Division, [www.ausupplyinc.com](http://www.ausupplyinc.com), and S&A Supply, Inc., [www.sasupplyinc.com](http://www.sasupplyinc.com). CCOM is headquartered in New Jersey, and, with its affiliates, operates out of 16 locations in its geographic trading area. For more information on CCOM’s operations, products and/or services, please visit [www.ccomgrp.com](http://www.ccomgrp.com).

**For further information, please contact Peter D. Gasiewicz, Chief Executive Officer, or William Salek, Chief Financial Officer, at (973) 427-8224.**

(Financial Highlights Follow)



CCOM GROUP, INC. AND SUBSIDIARIES  
Consolidated Balance Sheets

	December 31, 2014	December 31, 2013
Assets		
Current assets:		
Cash	\$ 238,696	\$ 377,461
Accounts receivable, net of allowance for doubtful accounts of \$892,960 and \$657,765, respectively	9,654,270	9,729,122
Inventory	14,121,649	12,349,272
Prepaid expenses and other current assets	730,299	1,065,101
Deferred income tax asset	160,000	200,000
Total current assets	24,904,914	23,720,956
Property and equipment, net	962,504	865,764
Goodwill	1,416,929	1,416,929
Other assets - noncurrent	43,246	107,718
Deferred income tax asset - noncurrent	2,056,500	2,016,500
	\$29,384,093	\$28,127,867
Liabilities and Stockholders' Equity		
Current liabilities:		
Borrowings under credit facility - revolving credit	\$11,940,419	\$11,952,588
Notes payable, current portion; includes related party notes of \$150,298 and \$638,779, respectively	302,877	776,746
Trade payables	4,760,291	3,307,881
Accrued liabilities	1,388,238	1,664,558
Income taxes payable	16,087	14,175
Total current liabilities	18,407,912	17,715,948
Convertible notes payable; related parties	200,000	200,000
Notes payable, non-current portion; includes related party notes of \$1,134,934 and \$1,285,232, respectively	1,433,257	1,659,235
Deferred income tax liability - noncurrent	567,000	538,000
Total liabilities	20,608,169	20,113,183
Commitments and contingencies		
Stockholders' equity:		
Redeemable convertible preferred stock, \$.05 par value, 2,500,000 shares authorized, 284,612 shares issued and outstanding, liquidation preference of \$1,423,060	14,231	14,231
Common stock, \$.05 par value, 20,000,000 shares authorized, 9,154,953 shares issued and outstanding	457,747	457,747
Additional paid-in capital	12,596,866	12,596,866
Accumulated deficit	(4,292,920)	(5,054,160)
Total stockholders' equity	8,775,924	8,014,684
	\$29,384,093	\$28,127,867



CCOM GROUP, INC. AND SUBSIDIARIES  
Consolidated Statements of Income

	For the Years Ended December 31,	
	2014	2013
Sales	\$81,048,785	\$88,458,677
Cost of sales	59,647,793	66,131,047
Gross profit	21,400,992	22,327,630
Selling, general and administrative expenses, net	20,240,991	20,980,190
Operating income	1,160,001	1,347,440
Other income	196,533	196,180
Interest expense, net; includes related party interest expense of \$114,892 and \$130,284, respectively	(554,011)	(604,318)
Income before income tax (expense) benefit	802,523	939,302
Income tax (expense) benefit	(41,283)	2,043,910
Net income	\$761,240	\$2,983,212
Income per common share:		
Basic	\$ 0.08	\$ 0.33
Diluted	\$ 0.08	\$ 0.32
Weighted average shares outstanding:		
Basic	9,154,953	9,154,953
Diluted	9,439,565	9,446,564



CCOM GROUP, INC. AND SUBSIDIARIES  
 Consolidated Statements of Stockholders' Equity  
 For the Years Ended December 31, 2014 and 2013

	Number of shares						
	Redeemable Convertible Preferred Stock	Common Stock	Redeemable Convertible Preferred Stock	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
Balance at December 31, 2012	293,057	9,154,953	\$ 14,653	\$ 457,747	\$ 12,659,782	\$ (8,037,372)	\$ 5,094,810
Net Income	-	-	-	-	-	2,983,212	2,983,212
Preferred Stock Redemption	(8,445)	-	(422)	-	(62,916)	-	(63,338)
Balance at December 31, 2013	284,612	9,154,953	\$ 14,231	\$ 457,747	\$ 12,596,866	\$ (5,054,160)	\$ 8,014,684
Net Income	-	-	-	-	-	761,240	761,240
Balance at December 31, 2014	284,612	9,154,953	\$ 14,231	\$ 457,747	\$ 12,596,866	\$ (4,292,920)	\$ 8,775,924



CCOM GROUP, INC. AND SUBSIDIARIES  
Consolidated Statements of Cash Flows

	For The Years Ended December 31,	
	2014	2013
Cash flows from operating activities:		
Net income	\$ 761,240	\$ 2,983,212
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred income taxes	29,000	(2,074,500)
Provision for doubtful accounts	300,327	476,466
Depreciation and amortization	299,356	306,543
Net gain on sale of property and equipment	(14,945)	(9,759)
Changes in operating assets and liabilities:		
Accounts receivable	(225,475)	925,729
Inventory	(1,772,377)	(319,872)
Prepaid expenses and other current assets	334,802	307,289
Other assets – noncurrent	64,472	162,547
Trade payables	1,452,410	(1,934,163)
Accrued liabilities	(276,320)	33,766
Income taxes payable	1,912	14,175
Net cash provided by operating activities	954,402	871,433
Cash flows from investing activities:		
Additions to property and equipment	(335,077)	(138,359)
Proceeds from disposal of property and equipment	21,200	51,147
Net cash used in investing activities	(313,877)	(87,212)
Cash flows from financing activities:		
Repurchase of preferred stock	-	(63,338)
Repayments of notes payable; includes related party repayments of \$2,138,779 and \$2,123,784, respectively	(2,267,121)	(2,295,958)
Issuance of notes payable, related party	1,500,000	2,000,000
Repayments under credit facility - revolving credit, net	(12,169)	(344,592)
Net cash used in financing activities	(779,290)	(703,888)
(Decrease) increase in cash	(138,765)	80,333
Cash - beginning of year	377,461	297,128
Cash - end of year	\$ 238,696	\$ 377,461