



CCOM Group, Inc. Reports 2013 Results

HAWTHORNE, New Jersey (March 31, 2014) – CCOM Group, Inc. (“CCOM”) (OTC Pink: “CCOM,” “CCOMP”), announced its financial results for the year ended December 31, 2013.

Results for the year ended December 31, 2013 compared to results for the same period in 2012:

- Sales increased 2.7% to \$88,458,677 from \$86,110,638
- Gross profit increased 3.4% to \$22,327,630 from \$21,603,483
- Selling, general and administrative expenses increased 1.4% to \$20,980,190 from \$20,684,458
- Operating income increased 46.6% to \$1,347,440 from \$919,025
- Net income increased to \$2,983,212 from \$645,859; the 2013 amount includes a \$2,074,500 non-cash income tax benefit and the 2012 amount includes a \$16,000 non-cash income tax benefit
- Net income per share on a fully diluted basis increased to \$0.32 from \$0.07 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, The RAL Supply Group, Inc., www.ralsupply.com, American/Universal Supply Division, www.ausupplyinc.com, and S&A Supply, Inc., 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.

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, 2013	December 31, 2012
Assets		
Current assets:		
Cash	\$ 377,461	\$ 297,128
Accounts receivable, net of allowance for doubtful accounts of \$658,765 and \$429,186, respectively	9,729,122	11,131,317
Inventory	12,349,272	12,029,400
Prepaid expenses and other current assets	1,065,101	1,372,390
Deferred income tax asset	200,000	-
Total current assets	23,720,956	24,830,235
Property and equipment, net	865,764	1,036,710
Goodwill	1,416,929	1,416,929
Other assets - noncurrent	107,718	270,265
Deferred income tax asset - noncurrent	2,016,500	100,000
	\$28,127,867	\$27,654,139
Liabilities and Stockholders' Equity		
Current liabilities:		
Borrowings under credit facility - revolving credit	\$11,952,588	\$12,297,180
Notes payable, current portion; includes related party notes of \$638,779 and \$607,999, respectively	776,746	745,500
Trade payables	3,307,881	5,242,044
Accrued liabilities	1,664,558	1,630,792
Income taxes payable	14,175	-
Total current liabilities	17,715,948	19,915,516
Convertible notes payable; related parties	200,000	200,000
Notes payable, non-current portion; includes related party notes of \$1,285,232 and \$1,440,015, respectively	1,659,235	1,947,813
Deferred income tax liability - noncurrent	538,000	496,000
Total liabilities	20,113,183	22,559,329
Commitments and contingencies		
Stockholders' equity:		
Redeemable convertible preferred stock, \$.05 par value, 2,500,000 shares authorized, 284,612 and 293,057 shares issued and outstanding, liquidation preference of \$1,423,060 and \$1,465,285, in 2013 and 2012, respectively	14,231	14,653
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	12,659,782
Accumulated deficit	(5,054,160)	(8,037,372)
Total stockholders' equity	8,014,684	5,094,810
	\$28,127,867	\$27,654,139



CCOM GROUP, INC. AND SUBSIDIARIES
Consolidated Statements of Income

	For the Years Ended December 31,	
	2013	2012
Sales	\$88,458,677	\$86,110,638
Cost of sales	66,131,047	64,507,155
Gross profit	22,327,630	21,603,483
Selling, general and administrative expenses, net	20,980,190	20,684,458
Operating income	1,347,440	919,025
Other income	196,180	201,788
Gain on early extinguishment of debt	-	116,164
Interest expense, net; includes related party interest expense of \$130,284 and \$81,276, respectively	(604,318)	(607,118)
Income before income tax benefit	939,302	629,859
Income tax benefit	2,043,910	16,000
Net income	\$2,983,212	\$ 645,859
Income per common share:		
Basic	\$ 0.33	\$ 0.07
Diluted	\$ 0.32	\$ 0.07
Weighted average shares outstanding:		
Basic	9,154,953	9,154,953
Diluted	9,446,564	9,448,010



CCOM GROUP, INC. AND SUBSIDIARIES
 Consolidated Statements of Stockholders' Equity
 For the Years Ended December 31, 2013 and 2012

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, 2011	293,057	9,154,953	\$ 14,653	\$ 457,747	\$ 12,659,782	\$ (8,683,231)	\$ 4,448,951
Net Income	-	-	-	-	-	645,859	645,859
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



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

	For The Years Ended December 31,	
	2013	2012
Cash flows from operating activities:		
Net income	\$ 2,983,212	\$ 645,859
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Deferred income taxes	(2,074,500)	(16,000)
Provision for doubtful accounts	476,466	414,412
Depreciation and amortization	306,543	359,235
Net gain on sale of property and equipment	(9,759)	(3,113)
Changes in operating assets and liabilities:		
Accounts receivable	925,729	(1,488,131)
Inventory	(319,872)	6,197
Prepaid expenses and other current assets	307,289	41,141
Other assets – noncurrent	162,547	158,267
Trade payables	(1,934,163)	(439,884)
Accrued liabilities	33,766	154,016
Income taxes payable	14,175	(586)
Net cash provided by (used in) operating activities	871,433	(168,587)
Cash flows from investing activities:		
Additions to property and equipment	(138,359)	(165,550)
Proceeds from disposal of property and equipment	51,147	4,600
Net cash used in investing activities	(87,212)	(160,950)
Cash flows from financing activities:		
Repurchase of preferred stock	(63,338)	-
Repayments of notes payable; includes related party repayments of \$2,123,784 and \$1,232,009, respectively	(2,295,958)	(1,650,805)
Issuance of notes payable, related party	2,000,000	1,700,000
(Repayments) borrowings under credit facility - revolving credit, net	(344,592)	305,773
Net cash (used in) provided by financing activities	(703,888)	354,968
Increase in cash	80,333	25,431
Cash - beginning of year	297,128	271,697
Cash - end of year	\$ 377,461	\$ 297,128