



CCOM Group, Inc. Reports 2015 Results

HAWTHORNE, New Jersey (April 28, 2016) – CCOM Group, Inc. (“CCOM”) (OTC Pink: “CCOM,” “CCOMP”), announced its financial results for the year ended December 31, 2015.

Results for the year ended December 31, 2015 compared to results for the same period in 2014:

- Sales increased 0.1% to \$81,110,848 from \$81,048,785
- Gross profit increased 0.6% to \$21,523,619 from \$21,400,992
- Selling, general and administrative expenses increased 2.0% to 20,648,832 from \$20,240,991
- Operating income decreased 24.6% to \$874,787 from \$1,160,001
- Net income increased 1.3% to \$771,175 from \$761,240; the 2015 amount includes a \$250,000 non-cash income tax benefit and the 2014 amount includes a \$29,000 non-cash income tax expense
- Net income per share on a fully diluted basis remained the same at \$0.08 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, 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 17 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, 2015	December 31, 2014
Assets		
Current assets:		
Cash	\$ 577,303	\$ 238,696
Accounts receivable, net of allowance for doubtful accounts of \$1,086,213 and \$892,960, respectively	10,043,006	9,654,270
Inventory	13,545,954	14,121,649
Prepaid expenses and other current assets	777,757	730,299
Deferred income tax asset	170,000	160,000
Total current assets	25,114,020	24,904,914
Property and equipment, net	889,866	962,504
Goodwill	1,416,929	1,416,929
Other assets - noncurrent	6,981	43,246
Deferred income tax asset - noncurrent	2,296,500	2,056,500
	\$29,724,296	\$29,384,093
Liabilities and Stockholders' Equity		
Current liabilities:		
Borrowings under credit facility - revolving credit	\$12,716,527	\$11,940,419
Notes payable, current portion; includes related party notes of \$162,773 and \$150,298, respectively	325,895	302,877
Trade payables	3,833,579	4,760,291
Accrued liabilities	1,373,073	1,388,238
Income taxes payable	420	16,087
Total current liabilities	18,249,494	18,407,912
Convertible notes payable; related parties	200,000	200,000
Notes payable, non-current portion; includes related party notes of \$972,161 and \$1,134,934, respectively	1,160,717	1,433,257
Deferred income tax liability - noncurrent	567,000	567,000
Total liabilities	20,177,211	20,608,169
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, 9,154,928 and 9,154,953 shares issued and outstanding, respectively	457,746	457,747
Additional paid-in capital	12,596,853	12,596,866
Accumulated deficit	(3,521,745)	(4,292,920)
Total stockholders' equity	9,547,085	8,775,924
	\$29,724,296	\$29,384,093

The accompanying notes are an integral part of these consolidated financial statements.



CCOM GROUP, INC. AND SUBSIDIARIES
Consolidated Statements of Income

	For the Years Ended December 31,	
	2015	2014
Sales	\$81,110,848	\$81,048,785
Cost of sales	59,587,229	59,647,793
Gross profit	21,523,619	21,400,992
Selling, general and administrative expenses, net	20,648,832	20,240,991
Operating income	874,787	1,160,001
Other income	192,034	196,533
Interest expense, net; includes related party interest expense of \$110,684 and \$114,892, respectively	(538,054)	(554,011)
Income before income tax benefit (expense)	528,767	802,523
Income tax benefit (expense)	242,408	(41,283)
Net income	\$771,175	\$761,240
Income per common share:		
Basic	\$ 0.08	\$ 0.08
Diluted	\$ 0.08	\$ 0.08
Weighted average shares outstanding:		
Basic	9,154,945	9,154,953
Diluted	9,439,557	9,439,565

The accompanying notes are an integral part of these consolidated financial statements.



CCOM GROUP, INC. AND SUBSIDIARIES
 Consolidated Statements of Stockholders' Equity
 For the Years Ended December 31, 2015 and 2014

	Number of shares		Redeemable Convertible Preferred Stock	Redeemable Convertible Preferred Stock	Common Stock	Additional Paid- In Capital	Accumulated Deficit	Total Stockholders' Equity
	Redeemable Convertible Preferred Stock	Common Stock						
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	
Net Income	-	-	-	-	-	771,175	771,175	
Common Stock purchased and retired	-	(25)	-	(1)	(13)	-	(14)	
Balance at December 31, 2015	284,612	9,154,928	\$ 14,231	\$ 457,746	\$ 12,596,853	\$ (3,521,745)	\$ 9,547,085	

The accompanying notes are an integral part of these consolidated financial statements.



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

	For The Years Ended December 31,	
	2015	2014
Cash flows from operating activities:		
Net income	\$ 771,175	\$ 761,240
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred income tax (benefit) expense	(250,000)	29,000
Provision for doubtful accounts	291,879	300,327
Depreciation and amortization	327,940	299,356
Net gain on sale of property and equipment	(6,040)	(14,945)
Changes in operating assets and liabilities:		
Accounts receivable	(680,615)	(225,475)
Inventory	575,695	(1,772,377)
Prepaid expenses and other current assets	(47,458)	334,802
Other assets – noncurrent	36,265	64,472
Trade payables	(926,712)	1,452,410
Accrued liabilities	(15,165)	(276,320)
Income taxes payable	(15,667)	1,912
Net cash provided by operating activities	61,297	954,402
Cash flows from investing activities:		
Additions to property and equipment	(187,565)	(335,077)
Proceeds from disposal of property and equipment	6,040	21,200
Net cash used in investing activities	(181,525)	(313,877)
Cash flows from financing activities:		
Repurchase of common stock	(14)	-
Repayments of notes payable; includes related party repayments of \$3,150,298 and \$2,138,779, respectively	(3,317,259)	(2,267,121)
Issuance of notes payable, related party	3,000,000	1,500,000
Borrowings (repayments) under credit facility - revolving credit, net	776,108	(12,169)
Net cash provided by (used in) financing activities	458,835	(779,290)
(Decrease) increase in cash	338,607	(138,765)
Cash - beginning of year	238,696	377,461
Cash - end of year	\$ 577,303	\$ 238,696

The accompanying notes are an integral part of these consolidated financial statements.