



## CCOM Group, Inc. Reports 2016 Results

HAWTHORNE, New Jersey (April 28, 2017) – CCOM Group, Inc. (“CCOM”) (OTC Pink: “CCOM,” “CCOMP”), announced its financial results for the year ended December 31, 2016.

Results for the year ended December 31, 2016 compared to results for the same period in 2015:

- Sales increased 7.6% to \$87,283,700 from \$81,110,848
- Gross profit increased 8.5% to \$23,359,519 from \$21,523,619
- Selling, general and administrative expenses increased 6.4% to \$21,980,338 from \$20,648,832
- Operating income increased 57.7% to \$1,379,181 from \$874,787
- Net income decreased 7.4% to \$713,972 from \$771,175; the 2016 amount includes a \$150,000 non-cash income tax expense and the 2015 amount includes a \$250,000 non-cash income tax benefit
- 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](http://www.usginc.com), The RAL Supply Group, Inc., [www.ralsupply.com](http://www.ralsupply.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 17 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, 2016	December 31, 2015
Assets		
Current assets:		
Cash	\$ 448,758	\$ 577,303
Accounts receivable, net of allowance for doubtful accounts of \$1,078,613 and \$1,086,213, respectively	10,788,257	10,043,006
Inventory	14,888,025	13,545,954
Prepaid expenses and other current assets	680,039	605,463
Total current assets	26,805,079	24,771,726
Property and equipment, net	756,050	889,866
Goodwill	1,416,929	1,416,929
Other assets - noncurrent	171,144	179,275
Deferred income tax asset - noncurrent	2,316,500	2,466,500
	\$31,465,702	\$29,724,296
Liabilities and Stockholders' Equity		
Current liabilities:		
Borrowings under credit facility - revolving credit	\$13,417,855	\$12,716,527
Notes payable, current portion; includes related party notes of \$176,283 and \$162,773, respectively	353,208	325,895
Trade payables	3,852,007	3,833,579
Accrued liabilities	1,995,083	1,373,073
Income taxes payable	42,188	420
Total current liabilities	19,660,341	18,249,494
Convertible notes payable; related parties	100,000	200,000
Notes payable, non-current portion; includes related party notes of \$795,879 and \$972,161, respectively	877,304	1,160,717
Deferred income tax liability - noncurrent	567,000	567,000
Total liabilities	21,204,645	20,177,211
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 shares issued and outstanding	457,746	457,746
Additional paid-in capital	12,596,853	12,596,853
Accumulated deficit	(2,807,773)	(3,521,745)
Total stockholders' equity	10,261,057	9,547,085
	\$31,465,702	\$29,724,296



CCOM GROUP, INC. AND SUBSIDIARIES  
Consolidated Statements of Income

	For the Years Ended December 31,	
	2016	2015
Sales	\$87,283,700	\$81,110,848
Cost of sales	63,924,181	59,587,229
Gross profit	23,359,519	21,523,619
Selling, general and administrative expenses, net	21,980,338	20,648,832
Operating income	1,379,181	874,787
Other income	189,961	192,034
Interest expense, net; includes related party interest expense of \$101,464 and \$110,684, respectively	(589,302)	(538,054)
Income before income tax (expense) benefit	979,840	528,767
Income tax (expense) benefit	(265,868)	242,408
Net income	\$713,972	\$771,175
Income per common share:		
Basic	\$ 0.08	\$ 0.08
Diluted	\$ 0.08	\$ 0.08
Weighted average shares outstanding:		
Basic	9,154,928	9,154,945
Diluted	9,439,540	9,439,557



CCOM GROUP, INC. AND SUBSIDIARIES  
 Consolidated Statements of Stockholders' Equity  
 For the Years Ended December 31, 2016 and 2015

	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, 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	
Net Income	-	-	-	-	-	713,972	713,972	
Balance at December 31, 2016	284,612	9,154,928	\$ 14,231	\$ 457,746	\$ 12,596,853	\$ (2,807,773)	\$10,261,057	



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

	For The Years Ended December 31,	
	2016	2015
Cash flows from operating activities:		
Net income	\$ 713,972	\$ 771,175
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Deferred income tax expense (benefit)	150,000	(250,000)
Provision for doubtful accounts	339,551	291,879
Depreciation and amortization	368,323	327,940
Net gain on sale of property and equipment	(4,757)	(6,040)
Changes in operating assets and liabilities:		
Accounts receivable	(1,084,802)	(680,615)
Inventory	(1,342,071)	575,695
Prepaid expenses and other current assets	(74,576)	124,836
Other assets – noncurrent	8,131	(136,029)
Trade payables	18,428	(926,712)
Accrued liabilities	622,010	(15,165)
Income taxes payable	41,768	(15,667)
Net cash (used in) provided by operating activities	(244,023)	61,297
Cash flows from investing activities:		
Additions to property and equipment	(160,991)	(187,565)
Proceeds from disposal of property and equipment	11,847	6,040
Net cash used in investing activities	(149,144)	(181,525)
Cash flows from financing activities:		
Repurchase of common stock	-	(14)
Repayments of notes payable; includes related party repayments of \$4,012,773 and \$3,150,298, respectively	(4,186,706)	(3,317,259)
Issuance of notes payable, related party	3,750,000	3,000,000
Borrowings under credit facility - revolving credit, net	701,328	776,108
Net cash provided by financing activities	264,622	458,835
(Decrease) increase in cash	(128,545)	338,607
Cash - beginning of year	577,303	238,696
Cash - end of year	\$ 448,758	\$ 577,303