



## CCOM Group, Inc. Reports 2017 Results

HAWTHORNE, New Jersey (April 30, 2018) – CCOM Group, Inc. (“CCOM”) (OTC Pink: “CCOM,” “CCOMP”), announced its financial results for the year ended December 31, 2017.

Results for the year ended December 31, 2017 compared to results for the same period in 2016:

- Sales increased 5.8% to \$92,330,429 from \$87,283,700
- Gross profit increased 5.2% to \$24,579,010 from \$23,359,519
- Selling, general and administrative expenses increased 4.6% to \$23,000,348 from \$21,980,338
- Operating income increased 14.5% to \$1,578,662 from \$1,379,181
- Net income decreased 28.0% to \$514,407 from \$713,972; the 2017 amounts includes a \$517,899 non-cash income tax expense and the 2016 amount includes a \$150,000 non-cash income tax expense
- Net income per share on a fully diluted basis decreased to \$0.05 per share 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, 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, 2017	December 31, 2016
Assets		
Current assets:		
Cash	\$ 506,635	\$ 448,758
Accounts receivable, net of allowance for doubtful accounts of \$1,052,963 and \$1,078,613, respectively	11,522,688	10,788,257
Inventory	16,231,516	14,888,025
Prepaid expenses and other current assets	1,121,745	680,039
Total current assets	29,382,584	26,805,079
Property and equipment	568,079	756,050
Goodwill	1,416,929	1,416,929
Other assets - noncurrent	424,375	171,144
Deferred tax asset - noncurrent	1,682,000	2,316,500
	\$ 33,473,967	\$ 31,465,702
Liabilities and Stockholders' Equity		
Current liabilities:		
Borrowings under credit facility - revolving credit	\$ 14,464,649	\$ 13,417,855
Notes payable - current portion; includes related party notes of \$196,587 and \$176,283, respectively	279,606	353,208
Trade payables	4,558,305	3,852,007
Accrued liabilities	2,165,224	1,995,083
Income taxes payable	18,488	42,188
Total current liabilities	21,486,272	19,660,341
Convertible notes payable, excluding current portion-related party	-	100,000
Notes payable, excluding current portion; includes related party notes of \$599,291 and \$795,879, respectively	645,231	877,304
Deferred tax liability - noncurrent	567,000	567,000
Total liabilities	22,698,503	21,204,645
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	(2,293,366)	(2,807,773)
Total stockholders' equity	10,775,464	10,261,057
	\$ 33,473,967	\$ 31,465,702

CCOM Group, Inc.  
Consolidated Statements of Operations

	For the Years Ended December 31,	
	<b>2017</b>	<b>2016</b>
Sales	\$92,330,429	\$87,283,700
Cost of sales	67,751,419	63,924,181
Gross profit	<u>24,579,010</u>	<u>23,359,519</u>
Selling, general and administrative expenses, net	23,000,348	21,980,338
Operating income	<u>1,578,662</u>	<u>1,379,181</u>
Other income	205,456	189,961
Interest expense, net; includes related party interest of \$79,093 and \$101,464, respectively	<u>(646,523)</u>	<u>(589,302)</u>
Income before income tax expense	1,137,595	979,840
Income tax expense	623,188	265,868
Net income	<u>\$ 514,407</u>	<u>\$ 713,972</u>
Income per common share:		
Basic	<u>\$ 0.05</u>	<u>\$ 0.08</u>
Diluted	<u>\$ 0.05</u>	<u>\$ 0.07</u>
Weighted average shares outstanding:		
Basic	<u>9,154,928</u>	<u>9,154,928</u>
Diluted	<u>9,439,540</u>	<u>9,439,540</u>

CCOM Group, Inc.  
Consolidated Statements of Stockholders' Equity  
For The Year Ended December 31, 2017 and 2016

	Number of shares							Total Stockholders' Equity
	Redeemable Convertible Preferred Stock	Common Stock	Redeemable Convertible Preferred Stock	Common Stock	Additional Paid- In Capital	Accumulated Deficit		
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	
Net income						514,407	514,407	
Balance at December 31, 2017	284,612	9,154,928	\$ 14,231	\$ 457,746	\$ 12,596,853	(2,293,366)	\$ 10,775,464	

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

	For The Years Ended	
	December 31,	
	2017	2016
Cash flows from operating activities:		
Net income	\$ 514,407	\$ 713,972
Adjustments to reconcile net income to net cash used in operating activities:		
Deferred income tax expense	517,899	150,000
Provision for doubtful accounts	585,168	339,551
Depreciation	359,184	368,323
Net gain on sale of fixed assets	(200)	(4,757)
Changes in operating assets and liabilities		
Accounts receivable	(1,319,599)	(1,084,802)
Inventory	(1,343,491)	(1,342,071)
Prepaid expenses and other current assets	(441,706)	(74,576)
Other assets - noncurrent	(136,630)	8,131
Trade payables	706,298	18,428
Accrued liabilities	170,141	622,010
Income taxes payable	(23,700)	41,768
Net cash used in operating activities	(412,229)	(244,023)
Cash flows from investing activities:		
Additions to property and equipment	(119,301)	(160,991)
Proceeds from disposal of property and equipment	200	11,847
Net cash used in investing activities	(119,101)	(149,144)
Cash flows from financing activities:		
Repayments of notes payable: includes related party repayments of \$276,283 and \$262,773 respectively	-	-
Repayments of short term financing, related party	(457,587)	(436,706)
Issuance of short term financing, related party	(2,000,000)	(3,750,000)
Borrowings under credit facility - revolving credit, net	2,000,000	3,750,000
Net cash provided by financing activities	1,046,794	701,328
Increase (decrease) in cash	57,877	(128,545)
Cash - beginning of period	448,758	577,303
Cash - end of period	\$ 506,635	\$ 448,758