



## CCOM Group, Inc. Reports 2016 Second Quarter Results

HAWTHORNE, New Jersey (August 3, 2016) – CCOM Group, Inc. (“CCOM”) (OTC Pink: “CCOM,” “CCOMP”), announced its financial results for the quarter ended June 30, 2016.

Results for the quarter ended June 30, 2016 compared to results for the same period in 2015:

- Sales increased 5.9% to \$23,635,776 from \$22,324,307
- Gross profit increased 9.0% to \$6,394,947 from \$5,866,657
- Selling, general and administrative expenses increased 6.3% to \$5,364,632 from \$5,046,574
- Operating income increased 25.6% to \$1,030,315 from \$820,083
- Net income increased 27.7% to \$909,575 from \$712,309
- Net income per share on a fully diluted basis increased to \$0.10 from \$0.08 per share

Results for the six months ended June 30, 2016 compared to results for the same period in 2015:

- Sales increased 9.6% to \$41,514,540 from \$37,880,569
- Gross profit increased 8.2% to \$11,335,938 from \$10,477,983
- Selling, general and administrative expenses increased 5.6% to \$10,825,833 from \$10,247,903
- Operating income increased to \$510,105 from \$230,080
- Net income increased to \$291,798 from \$35,750
- Net income per share on a fully diluted basis increased to \$0.03 from \$0.00 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), 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 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

Condensed Consolidated Balance Sheets

	June 30, 2016 <u>(Unaudited)</u>	December 31, 2015 <u></u>
Assets		
Current assets:		
Cash	\$ 460,741	\$ 577,303
Accounts receivable, net of allowance for doubtful accounts of \$1,028,408 and \$1,086,213, respectively	11,974,077	10,043,006
Inventory	15,651,995	13,545,954
Prepaid expenses and other current assets	841,942	777,757
Deferred tax asset	170,000	170,000
Total current assets	<u>29,098,755</u>	<u>25,114,020</u>
Property and equipment	803,720	889,866
Goodwill	1,416,929	1,416,929
Other assets - noncurrent	1,745	6,981
Deferred tax asset - noncurrent	2,296,500	2,296,500
	<u>\$ 33,617,649</u>	<u>\$ 29,724,296</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Borrowings under credit facility - revolving credit	\$ 14,781,048	\$ 12,716,527
Notes payable - current portion; includes related party notes of \$1,169,393 and \$162,773, respectively	1,332,030	325,895
Trade payables	4,125,901	3,833,579
Accrued liabilities	1,763,299	1,373,073
Income taxes payable	420	420
Total current liabilities	<u>22,002,698</u>	<u>18,249,494</u>
Convertible notes payable, excluding current portion-related party	200,000	200,000
Notes payable, excluding current portion; includes related party notes of \$885,777 and \$972,161, respectively	1,009,068	1,160,717
Deferred tax liability - noncurrent	567,000	567,000
Total liabilities	<u>23,778,766</u>	<u>20,177,211</u>
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	(3,229,947)	(3,521,745)
Total stockholders' equity	<u>9,838,883</u>	<u>9,547,085</u>
	<u>\$ 33,617,649</u>	<u>\$ 29,724,296</u>

CCOM GROUP, INC. AND SUBSIDIARIES  
Condensed Consolidated Statements of Operations  
(Unaudited)

	For The Three Months Ended June 30,		For The Six Months Ended June 30,	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Sales	\$ 23,635,776	\$ 22,324,307	\$ 41,514,540	\$ 37,880,569
Cost of sales	<u>17,240,829</u>	<u>16,457,650</u>	<u>30,178,602</u>	<u>27,402,586</u>
Gross profit	6,394,947	5,866,657	11,335,938	10,477,983
Selling, general and administrative expenses	<u>5,364,632</u>	<u>5,046,574</u>	<u>10,825,833</u>	<u>10,247,903</u>
Operating income	1,030,315	820,083	510,105	230,080
Other income	45,988	31,631	89,505	76,503
Interest expense, net; includes related party interest of \$37,398 and \$29,617 for three months ended June 30, 2016 and 2015, respectively, and \$67,064 and \$59,215 for the six months ended June 30, 2016 and 2015, respectively	<u>(166,728)</u>	<u>(139,405)</u>	<u>(307,812)</u>	<u>(270,833)</u>
Net income	<u>\$ 909,575</u>	<u>\$ 712,309</u>	<u>\$ 291,798</u>	<u>\$ 35,750</u>
Income per common share:				
Basic	<u>\$ 0.10</u>	<u>\$ 0.08</u>	<u>\$ 0.03</u>	<u>\$ 0.00</u>
Diluted	<u>\$ 0.10</u>	<u>\$ 0.08</u>	<u>\$ 0.03</u>	<u>\$ 0.00</u>
Weighted average shares outstanding:				
Basic	<u>9,154,928</u>	<u>9,154,953</u>	<u>9,154,928</u>	<u>9,154,953</u>
Diluted	<u>9,439,540</u>	<u>9,439,565</u>	<u>9,439,540</u>	<u>9,439,565</u>

CCOM GROUP, INC. AND SUBSIDIARIES  
Condensed Consolidated Statements of Cash Flows  
(Unaudited)

	For The Six Months Ended	
	June 30,	
	2016	2015
Cash flows from operating activities:		
Net income	\$ 291,798	\$ 35,750
Adjustments to reconcile net income to net cash used in operating activities:		
Provision for doubtful accounts	71,216	135,387
Depreciation	177,625	155,457
Net gain on sale of fixed assets	(1,757)	-
Changes in operating assets and liabilities		
Accounts receivable	(2,002,287)	(1,447,716)
Inventory	(2,106,041)	(834,959)
Prepaid expenses and other current assets	(64,185)	(255,154)
Other assets - noncurrent	5,236	30,861
Trade payables	292,322	(391,131)
Accrued liabilities	390,226	406,433
Income taxes payable	-	(16,087)
Net cash used in operating activities	(2,945,847)	(2,181,159)
Cash flows from investing activities:		
Additions to property and equipment	(80,343)	(48,332)
Proceeds from disposal of property and equipment	8,847	-
Net cash used in investing activities	(71,496)	(48,332)
Cash flows from financing activities:		
Repayments of notes payable: includes related party repayments of \$1,829,764 and \$1,573,651 respectively	(1,913,740)	(1,650,158)
Issuance of notes payable, related party	2,750,000	2,250,000
Borrowings under credit facility - revolving credit, net	2,064,521	1,826,500
Net cash provided by financing activities	2,900,781	2,426,342
(Decrease) increase in cash	(116,562)	196,851
Cash - beginning of period	577,303	238,696
Cash - end of period	\$ 460,741	\$ 435,547