

December 30, 2024



Cemtrex Reports Fourth Quarter and Full Fiscal Year 2024 Financial Results

Q4'24 Revenue Increased 9% to \$18.1M, Fiscal Year 2024 Revenue Increased 13% to \$66.9M

Brooklyn, NY, Dec. 30, 2024 (GLOBE NEWSWIRE) -- [Cemtrex Inc.](#) (NASDAQ: CETX, CETXP), an advanced security technology and industrial services company, has reported its financial and operational results for the fiscal fourth quarter and year ended September 30, 2024.

Key Highlights for Fiscal Year 2024

- Revenue for the year ended September 30, 2024, increased 13% to \$66.9 million, compared to revenue in the prior year of \$59.4 million.
- Revenue for Q4'24 increased 9% to \$18.1 million, compared to revenue of \$16.6 million for Q4'23.
- AIS Revenue: Surged 39% to \$34.8 million, capitalizing on strategic acquisitions and growing market demand.
- Vicon Innovations: Launched NEXT™ Modular Camera System, integrating groundbreaking AI analytics and Hailo-15 edge AI processing, poised to redefine the surveillance industry.
- Strategic Momentum: Secured a record-breaking \$10.4 million order for Valerus surveillance system expansion

Management Commentary

Cemtrex Chairman and CEO, Saagar Govil, commented on the results: “Fourth quarter revenue grew 9% to \$18.1 million, year over year, and for the full year increased 13% to \$66.9 million, primarily driven by record demand for AIS products and services. Continued high demand for AIS products and services drove a 39% increase in revenue for fiscal 2024 to \$34.8 million, offset by a 7% decrease in Vicon revenue due to the delay of multiple projects and a weaker industrywide demand for security solutions. Operating loss for the fiscal year 2024 was \$5.3 million, compared to \$1.5 million a year ago, mainly due to an increase in selling, general, and administrative costs.

“Our Security segment revenue in the fourth quarter grew 2% to \$8.6 million despite the softening we’ve seen across the industry for the last several months. The team at Vicon is highly focused on the launch of new security technologies and products to expand its exciting portfolio and grow market share. Recently, Vicon unveiled NEXT™, a next generation modular camera platform that transforms how security integrators and end-users install, interact, and support their camera systems, primed for release in first calendar quarter of 2025. NEXT completely rethinks the traditional camera experience by reducing

installation time from hours to minutes, leveraging the most powerful AI processing capabilities on the market, and deploying advanced onboard technologies and integrations.

“NEXT represents a strategic shift for Vicon. By integrating with other major video management systems, we’re expanding beyond our own ecosystem to deliver broader value in the security market. We have also integrated a disruptive AI analytic for detecting armed persons in surveillance footage to be included in NEXT Cameras. This novel detection feature is designed to function on edge devices, offering a low-cost, high-efficiency solution for assistance in the detection of armed persons in surveillance footage and enhancing the capabilities of video management systems to initiate specific responses upon detection.

“We believe that these investments in new technologies and products will enable Vicon to ramp sales in the coming year. We expect with the launch the NEXT Camera and the innovative new cloud security platform Anavio, along with new technologies and continued improvements to our core software platform Valerus, there is significant further opportunity to grow revenue and gross margin over the next several quarters including our most recent announcement of a record breaking \$10.4 million order for a state government corrections facility to expand the customer’s Valerus surveillance security system with additional hardware, including enhanced storage infrastructure.

“For our Industrial services segment, AIS, the year was highlighted by new orders and record revenue growth of 39% to \$34.8 million. A recent \$6.7 million contract highlighted the success of AIS’s strategic entry into the wastewater infrastructure market through its acquisition of Heisey Mechanical in 2023 that significantly broadened its capabilities and expanded the markets we serve. Other projects set for completion in 2025 included several large-scale infrastructure contracts. These orders from leading companies reaffirm AIS’s optimistic growth outlook, building a pipeline of growth for 2025.

“Looking ahead, we believe 2024 has demonstrated the long-term potential of our two segments’ products and services that will drive further momentum in 2025. Vicon’s next generation cameras and software will continue to capture orders in the video surveillance market, which is expected to expand to \$88.7 billion globally by 2030, according to Markets & Markets. AIS is set for another breakout year with strong order flow and an expanded market opportunity of leading companies and governmental departments. Taken together, we are confident that will deliver strong long-term value to our shareholders and drive sustainable growth for years to come,” concluded Govil.

Segment Highlights:

Vicon Industries:

- Revenues for the year ended September 30, 2024, decreased 7% to \$32.0 million compared to \$34.4 million for the year ended September 30, 2023.
- Revenues increased 2% to \$8.6 million in Q4’24 compared to Q4’23.
- Announced a record breaking \$10.4 million order for a state government corrections facility in the mid-Atlantic region, expanding the customer’s Valerus surveillance security system with additional hardware, including enhanced storage infrastructure.
- Secured a partnership with Hailo, an AI chip manufacturer known for its high-performance edge AI processors, to integrate the groundbreaking Hailo-15 System-on-a-Chip (SoC) into Vicon’s NEXT™ Modular Camera System.

- Announced integration of an innovative Artificial Intelligence (AI) gun detection feature in its NEXT Cameras, which will be released in the first calendar quarter of 2025, marking a significant milestone in public safety and security technology.
- Unveiled NEXT a next generation modular camera platform that transforms how security integrators and end-users install, interact, and support their camera systems.

Advanced Industrial Services:

- Industrial Services segment revenues for the year ended September 30, 2024, increased 39% to \$34.8 million compared to \$25.0 million for the year ended September 30, 2023.
- Industrial Services segment revenues for Q4'24 increased 17% to \$9.6 million, on increased demand.
- Awarded two project contracts totaling \$6.7 million for upgrades at the Clearwater Road Wastewater Treatment Facility in Derry Township, Pennsylvania.
- Awarded a \$4.7 million contract for Trade in Services Agreement (TiSA) energy upgrades at Fort Indiantown Gap in Lebanon County, PA.
- Received a \$4.5 million contract for both Phase 1 and Phase 2 of the Department of General Services' Elizabethtown Training Academy project.

Fourth Quarter and Full Year 2023 Financial Results Overview

Revenue for the full year of 2024 totaled \$66.9 million, compared to revenue of \$59.4 million for the full year of 2023, a 13% increase year over year. Revenues for the fourth quarter of 2024 were \$18.1 million, compared to \$16.6 million in the fourth quarter of 2023, an increase of 9%. The increase in revenue for the year was due to increased demand for the Company's AIS products and services, offset by a decrease in security technology products under our Vicon brand.

The Security segment revenues for the years ended September 30, 2024, and 2023 were \$32.0 million and \$34.4 million, respectively, a decrease of 7%, due to decreased demand for security technology products under the Vicon brand. Industrial Services segment revenues for the full year 2024 increased by 39% to \$34.8 million, up from \$25.0 million in 2023, primarily due to the increase in demand for its products and services, and the additional revenue from the business related to the acquisition of Heisey Mechanical.

Gross profit for the year ended September 30, 2024, was \$27.5 million, or 41% of revenues, as compared to gross profit of \$25.7 million, or 43% of revenues, for the year ended September 30, 2023, mainly attributed to a decrease in gross margin percent at AIS due the Heisey acquisition. Fourth quarter gross profit of \$7.6 million increased 11% from \$6.8 million in the prior year quarter.

Total operating expenses for 2024 were \$32.8 million compared to \$27.2 million in 2023. Total operating expenses for the fourth quarter of 2024 were \$7.9 compared to \$6.8 in the fourth quarter of 2023. The increase in total operating expenses was primarily driven by increases in salaries and wages, general and administrative expenses, and research and development expenses related to the Security Segment's development of proprietary technology and next generation solutions associated with security and surveillance systems software.

Operating loss for the full year of 2024 was \$5.3 million as compared to an operating loss of \$1.5 million for the full year of 2023. Operating loss for the fourth quarter of 2024 was \$0.3 million as compared to an operating income of \$.3 million for the fourth quarter of 2023. The operating loss was primarily due to overall increased general and administration expenses.

Net loss for the full year of 2024 was \$7.7 million, as compared to a net loss of \$9.2 million in 2023. Net income in the fourth quarter of 2024 totaled \$4.4 million compared to a net loss of \$1.2 million in the fourth quarter of 2023.

Cash, cash equivalents and restricted cash as of September 30, 2024 was \$5.4 million, compared to \$6.3 million as of September 30, 2023.

Inventories decreased to \$7.0 million at September 30, 2024, from \$8.7 million at September 30, 2023.

About Cemtrex

Cemtrex Inc. (CETX) is a company that owns two operating subsidiaries: Vicon Industries Inc and Advanced Industrial Services Inc.

Vicon Industries, a subsidiary of Cemtrex Inc., is a global leader in advanced security and surveillance technology to safeguard businesses, schools, municipalities, hospitals and cities. Since 1967, Vicon delivers mission-critical security surveillance systems, specializing in engineering complete security solutions that simplify deployment, operation and ongoing maintenance. Vicon provides security solutions for some of the largest municipalities and businesses in the U.S. and around the world, offering a wide range of cutting-edge and compliant security technologies, from AI-driven video analytics to fully integrated access control solutions. For more information visit www.vicon-security.com

AIS – Advanced Industrial Services, a subsidiary of Cemtrex, Inc., is a premier provider of industrial contracting services including millwrighting, rigging, piping, electrical, welding. AIS Installs high precision equipment in a wide variety of industrial markets including automotive, printing & graphics, industrial automation, packaging, and chemicals. AIS owns and operates a modern fleet of custom designed specialty equipment to assure safe and quick installation of your production equipment. Our talented staff participates in recurring instructional training, provided to ensure that the most current industry methods are being utilized to provide an efficient and safe working environment. For more information visit www.ais-york.com

For more information visit www.cemtrex.com.

Forward-Looking Statements

This press release contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including statements relating to the closing of the offering, gross proceeds from the offering, our new product offerings, expected use of proceeds, or any proposed fundraising activities. These forward-looking statements are based on management’s current expectations and are subject to certain risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by such forward looking statements. Statements made herein are as of the date of this press release and should not be relied upon as of any subsequent date. These risks and

uncertainties are discussed under the heading “Risk Factors” contained in our Form 10-K filed with the Securities and Exchange Commission. All information in this press release is as of the date of the release and we undertake no duty to update this information unless required by law.

Investor Relations

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Cemtrex, Inc. and Subsidiaries Consolidated Balance Sheets

| | September 30, 2024 | September 30, 2023 |
|---|--------------------------|-----------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 3,897,511 | \$ 5,329,910 |
| Restricted cash | 1,522,881 | 1,019,652 |
| Trade receivables, net | 11,159,676 | 9,209,695 |
| Trade receivables, net - related party | 685,788 | 1,143,342 |
| Inventory, net | 6,988,529 | 8,739,219 |
| Contract assets, net | 985,207 | 1,739,201 |
| Prepaid expenses and other current assets | 1,456,687 | 2,112,022 |
| Total current assets | 26,696,279 | 29,293,041 |
| Property and equipment, net | 9,133,578 | 9,218,701 |
| Right-of-use operating lease assets | 1,933,378 | 2,287,623 |
| Royalties receivable, net - related party | 456,611 | 674,893 |
| Note receivable, net - related party | - | 761,585 |
| Goodwill | 3,708,347 | 4,381,891 |
| Other | 2,187,265 | 1,836,009 |
| Total Assets | \$ 44,115,458 | \$ 48,453,743 |
| Liabilities & Stockholders' Equity | | |
| Current liabilities | | |
| Accounts payable | \$ 4,520,173 | \$ 6,196,406 |
| Accounts payable - related party | - | 68,509 |
| Sales tax payable | 73,024 | 35,829 |
| Revolving line of credit | 3,125,011 | - |
| Current maturities of long-term liabilities | 4,732,377 | 14,507,711 |
| Operating lease liabilities - short-term | 832,823 | 741,487 |
| Deposits from customers | 408,415 | 57,434 |
| Accrued expenses | 2,034,352 | 2,784,390 |
| Contract liabilities | 1,254,204 | 980,319 |
| Deferred revenue | 1,297,616 | 1,583,406 |
| Accrued income taxes | 314,827 | 388,627 |
| Total current liabilities | 18,592,822 | 27,344,118 |
| Long-term liabilities | | |
| Long-term debt | 13,270,178 | 9,929,348 |
| Long-term operating lease liabilities | 1,159,204 | 1,607,202 |
| Other long-term liabilities | 274,957 | 501,354 |
| Deferred Revenue - long-term | 658,019 | 727,928 |
| Warrant liabilities | 5,199,436 | - |
| Total long-term liabilities | 20,561,794 | 12,765,832 |

| | | |
|---|-----------------------------|-----------------------------|
| Total liabilities | <u>39,154,616</u> | <u>40,109,950</u> |
| Commitments and contingencies | - | - |
| Stockholders' equity | | |
| Preferred stock , \$0.001 par value, 10,000,000 shares authorized, Series 1, 3,000,000 shares authorized, 2,456,827 shares issued and 2,392,727 shares outstanding as of September 30, 2024 and 2,293,016 shares issued and 2,228,916 shares outstanding as of September 30, 2023 (liquidation value of \$10 per share) | 2,457 | 2,293 |
| Series C, 100,000 shares authorized, 50,000 shares issued and outstanding at September 30, 2024 and September 30, 2023 | 50 | 50 |
| Common stock, \$0.001 par value, 70,000,000 shares authorized, 14,176 shares issued and outstanding at September 30, 2024 and 50,000,000 shares authorized, 498 shares issued and outstanding at September 30, 2023 | 14 | 1 |
| Additional paid-in capital | 73,262,536 | 68,882,750 |
| Accumulated deficit | (71,355,386) | (64,125,895) |
| Treasury stock, 64,100 shares of Series 1 Preferred Stock at September 30, 2024, and September 30, 2023 | (148,291) | (148,291) |
| Accumulated other comprehensive income | 2,949,297 | 3,076,706 |
| Total Centrex stockholders' equity | <u>4,710,677</u> | <u>7,687,614</u> |
| Non-controlling interest | 250,165 | 656,179 |
| Total liabilities and stockholders' equity | <u>\$ 44,115,458</u> | <u>\$ 48,453,743</u> |

Centrex, Inc. and Subsidiaries
Consolidated Statements of Operations

| | For the year ended | |
|--|-----------------------|-----------------------|
| | September 30, 2024 | September 30, 2023 |
| Revenues | | |
| Security Revenue | \$ 32,021,899 | \$ 34,359,470 |
| Industrial Services Revenue | 34,841,985 | 25,009,092 |
| Revenues | 66,863,884 | 59,368,562 |
| Cost of revenues | | |
| Cost of revenues, Security | 15,854,560 | 17,253,170 |
| Cost of revenues, Industrial Services | 23,531,120 | 16,429,566 |
| Cost of revenues | 39,385,680 | 33,682,736 |
| Gross profit | 27,478,204 | 25,685,826 |
| Operating expenses | | |
| General and administrative | 28,860,019 | 23,929,340 |
| Research and development | 3,357,455 | 3,267,994 |
| Goodwill impairment | 530,475 | - |
| Total operating expenses | 32,747,949 | 27,197,334 |
| Operating loss | (5,269,745) | (1,511,508) |
| Other (expense)/income | | |
| Other(expense)/income, net | (622,558) | 476,693 |
| Interest expense | (2,169,469) | (4,966,298) |
| Loss on excess fair value of warrants | (7,255,528) | - |
| Changes in fair value of warrant liability | 7,840,951 | - |
| Total other expense, net | (2,206,604) | (4,489,605) |
| Net loss before income taxes | (7,476,349) | (6,001,113) |
| Income tax expense | (202,280) | (394,272) |
| Loss from Continuing operations | (7,678,629) | (6,395,385) |
| Income/(loss) from discontinued operations, net of tax | 43,124 | (2,838,053) |
| Net loss | (7,635,505) | (9,233,438) |
| Less net loss in noncontrolling interest | (406,014) | (36,563) |
| Net loss attributable to Cemtrex, Inc. stockholders | \$ (7,229,491) | \$ (9,196,875) |
| (Loss)/income per share - Basic & Diluted | | |
| Continuing Operations | \$ (17.96) | \$ (15,760.64) |
| Discontinued Operations | \$ 0.11 | \$ (3.89) |
| Weighted Average Number of Shares-Basic & Diluted | 408,602 | 414 |

Cemtrex, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

| | For the year ended | |
|--|--------------------|----------------|
| | September 30, | |
| Cash Flows from Operating Activities | 2024 | 2023 |
| Net loss | \$ (7,635,505) | \$ (9,233,438) |
| Adjustments to reconcile net loss to net cash used by operating activities | | |
| Depreciation and amortization | 1,328,741 | 1,026,075 |
| (Gain)/loss on disposal of property and equipment | (19,133) | 69,601 |
| Noncash lease expense | 829,119 | 702,747 |
| Goodwill impairment | 530,475 | - |
| Bad debt expense (recovery) | (79,006) | (14,515) |
| Loss on write-off of related party receivables | 1,409,500 | - |
| Share-based compensation | 30,235 | 106,839 |
| Shares issued to pay for services | 169,000 | 215,800 |
| Interest expense paid in equity shares | - | 409,541 |
| Accrued interest on notes payable | 1,189,629 | 2,707,262 |
| Non-cash royalty income | (53,126) | (44,272) |

| | | |
|---|-------------|-----------|
| Amortization of original issue discounts on notes payable | - | 1,264,111 |
| Amortization of loan origination costs | 72,533 | - |
| Loss on excess fair value of warrants | 7,255,528 | - |
| Changes in fair value of warrant liability | (7,840,951) | - |

Changes in operating assets and liabilities net of effects from acquisition of subsidiaries:

| | | |
|--|-------------|------------------|
| Trade receivables | (1,870,975) | (3,795,964) |
| Trade receivables - related party | (63,462) | (1,099,070) |
| Inventory | 1,893,759 | 48,598 |
| Contract assets | 753,994 | (290,123) |
| Prepaid expenses and other current assets | 733,168 | (458,476) |
| Other assets | (251,256) | (336,264) |
| Accounts payable | (818,733) | 3,145,469 |
| Accounts payable - related party | - | 49,376 |
| Sales tax payable | 37,195 | 15,734 |
| Operating lease liabilities | (831,536) | (577,446) |
| Deposits from customers | 350,981 | (15,710) |
| Accrued expenses | (690,038) | 475,798 |
| Contract liabilities | 273,885 | 393,960 |
| Deferred revenue | (355,699) | 522,827 |
| Income taxes payable | (71,285) | 293,779 |
| Other liabilities | (226,397) | (306,544) |
| Net cash used by operating activities - continuing operations | (3,949,360) | (4,724,305) |
| Net cash provided by operating activities - discontinued operations | - | 2,491,581 |

Net cash used by operating activities

(3,949,360) (2,232,724)

Cash Flows from Investing Activities

| | | |
|--|-------------|-------------|
| Purchase of property and equipment | (1,297,346) | (2,761,314) |
| Proceeds from sale of property and equipment | 63,953 | 26,205 |
| Royalties on related party revenues | 76,000 | - |
| Acquisitions, Net of Cash Acquired | - | (2,793,291) |
| Investment in MasterpieceVR | (100,000) | (100,000) |

Net cash used by investing activities

(1,257,393) (5,628,400)

Cash Flows from Financing Activities

| | | |
|---|--------------|-------------|
| Proceeds on revolving line of credit | 33,071,722 | - |
| Payments on revolving line of credit | (30,019,244) | - |
| Payments on debt | (7,923,914) | (1,533,059) |
| Payments on Paycheck Protection Program Loans | (40,486) | (30,286) |
| Proceeds on bank loans | 340,267 | 3,360,000 |
| Proceeds from notes payable | - | 240,000 |
| Purchases of treasury stock | (69,705) | - |
| Proceeds from offerings | 10,035,292 | - |
| Expenses on offerings | (995,333) | - |

Net cash provided by financing activities

4,398,599 2,036,655

| | | |
|---|---------------------|---------------------|
| Effect of currency translation | (121,016) | 700,355 |
| Net decrease in cash, cash equivalents, and restricted cash | (808,154) | (5,824,469) |
| Cash, cash equivalents, and restricted cash at beginning of period | 6,349,562 | 11,473,676 |
| Cash, cash equivalents, and restricted cash at end of period | \$ 5,420,392 | \$ 6,349,562 |

Balance Sheet Accounts Included in Cash, Cash Equivalents, and Restricted Cash

| | | |
|---------------------------|------------------|------------------|
| Cash and cash equivalents | \$ 3,897,511 | \$ 5,329,910 |
| Restricted cash | 1,522,881 | 1,019,652 |

Total cash, cash equivalents, and restricted cash

| | | | |
|----|-----------|----|-----------|
| \$ | 5,420,392 | \$ | 6,349,562 |
|----|-----------|----|-----------|

Supplemental Disclosure of Cash Flow Information:

Cash paid during the period for interest

| | | | |
|----|---------|----|---------|
| \$ | 738,307 | \$ | 585,384 |
|----|---------|----|---------|

Cash paid during the period for income taxes, net of refunds

| | | | |
|----|---------|----|---------|
| \$ | 196,727 | \$ | 293,779 |
|----|---------|----|---------|

Supplemental Schedule of Non-Cash Investing and Financing Activities

Shares issued to pay notes payable

| | | | |
|----|---|----|-----------|
| \$ | - | \$ | 1,917,873 |
|----|---|----|-----------|

Financing of fixed asset purchase

| | | | |
|----|--------|----|---|
| \$ | 28,331 | \$ | - |
|----|--------|----|---|

Financing of building purchase

| | | | |
|----|---|----|-----------|
| \$ | - | \$ | 1,200,000 |
|----|---|----|-----------|

Financing of acquisition

| | | | |
|----|---|----|-----------|
| \$ | - | \$ | 2,400,000 |
|----|---|----|-----------|

Purchase of property and equipment through vendor financing

| | | | |
|----|---|----|---------|
| \$ | - | \$ | 675,000 |
|----|---|----|---------|

Noncash recognition of new leases

| | | | |
|----|---------|----|---------|
| \$ | 474,874 | \$ | 349,172 |
|----|---------|----|---------|

Investor Relations

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Source: Centrex Inc.