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Cemtrex Provides Additional Information Regarding Rights Offering

Farmingdale, NY, Nov. 27, 2018 (GLOBE NEWSWIRE) -- - [Cemtrex Inc.](#) (Nasdaq: [CETX](#), [CETXP](#), [CETXW](#)), a world-leading technology and manufacturing company, today provided more information regarding its upcoming rights offering.

“We currently have a backlog of approximately 800 [SmartDesks](#) and this offering will provide funds to help fulfill these orders by getting 1500 SmartDesks delivered in our warehouse from our supply chain in the coming weeks,” said Saagar Govil, CEO of Cemtrex. “With 1500 SmartDesks on hand, we will also be able to accommodate the requirements of new clients who want be part of our Enterprise sales program and furthermore, we will be able to immediately deliver any new orders, eliminating the wait that customers might face. Once these 1500 SmartDesks are shipped, we will generate revenue of approximately \$7.5 million, and with 35% gross margins, a hefty gross profit of \$2.6 million. These funds will be reinvested into the production of the next batch of SmartDesks.”

Cemtrex is transitioning rapidly from a low-margin electronics contract manufacturer to a high-margin, innovative technology company with its own proprietary patent pending products. Cemtrex has experienced five-year revenue growth of 58% CAGR and had fiscal year 2017 sales of \$120.6 million, up from 2013 sales of \$12 million. The Company intends to spend \$1-\$2M in on-going R&D expenses for fiscal year 2019. The Company anticipates that as demand for the SmartDesk continues to increase this will offset the R&D expenditure.

“The Desktop PC market has not seen any innovation in the last 30 years, and it’s truly a commoditized, mature industry that is perfect for disruption. With our patent-pending, cutting-edge product, the Company can really go out and disrupt this \$80 billion industry with an average price per unit of \$5,000 and attractive gross margins. Globally, there are about 100 million units sold annually, and we think that in three years we can easily sell at least 100,000 units. That would be approximately \$500 million of revenue for the company,” Govil said.

SmartDesk is gaining traction in the business community with the Company’s recent focus on Enterprise customers. The Company has received orders from notable organizations like the City of Atlanta and VMware. The SmartDesk has generated orders from Fortune 500 companies like Black & Decker and United Airlines as well as from government organizations and universities alike.

SmartDesk, introduced earlier this year, is the flagship IoT product of Cemtrex. SmartDesk combines and reimagines the needs of the modern office workstation in a sleek, clutter-free design. The product includes 72 inches of touch display monitors, proprietary patent-pending touch and gesture control, digital phone and webcam, integrated document scanner, wireless smartphone charging, and a built-in keyboard / trackpad with an electric-powered, adjustable-height desk.

About Centrex

Centrex, Inc. (NASDAQ: CETX) is a diversified technology company driving innovation in a wide range of sectors, including smart technology, virtual and augmented realities, advanced electronic systems, industrial solutions, and intelligent security systems. Centrex is the manufacturer of the SmartDesk, the world's most advanced workstation. Find us on the web at www.centrex.com.

Safe Harbor Statement

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements relating to Centrex's proposed offering of securities. These forward-looking statements are based on management's current expectations and are subject to certain risks and uncertainties, including those described in Centrex's SEC periodic reports and other filings, 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.

This press release does not constitute an offer to sell or the solicitation of an offer to buy securities, nor will there be any sale of any securities referred to in this press release in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such state or jurisdiction. The rights offering will be made only by means of prospectuses meeting the requirements of the Securities Act of 1933, as amended.

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