

*Global Leader in Advanced Security and Surveillance Technology*

# Safe Harbor Statement





This presentation may contain forward looking statements that involve numerous risks and uncertainties. Actual results could differ materially from those projected in the forward-looking statements as a result of a number of risks and uncertainties. These forward-looking statements are not a guarantee of future performance. This release may contain non-GAAP financial information and are not calculated or presented in accordance with US GAAP. The Company believes that the presentation of non-GAAP financial measures provides useful information to management and investors regarding underlying trends in its consolidated financial condition and results of operations. The Company's management regularly uses these supplemental non-GAAP financial measures internally to understand, manage and evaluate the Company's business and make operating decisions. These risks and uncertainties are discussed in our filings with the Securities and Exchange Commission, including our annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. Statements made herein are as of the date of this presentation and should not be relied upon as of any subsequent date. Except as may be required by applicable securities laws, we do not undertake any obligation to revise or update any forward-looking statements contained in this presentation.

# Corporate Overview



Cemtrex is a holding company with operating brands Vicon Industries and AIS – Advanced Industrial Services.

Security	Industrial
 Global leader in advanced security and surveillance technology to safeguard businesses, schools, municipalities, hospitals and cities.	 Premier provider of industrial contracting services including millwrighting, rigging, piping, electrical, welding.
<b>Revenue</b> (FY 2022)	
<b>\$23.6M</b>	<b>\$21.2M</b>

## NASDAQ: CETX

Share Price <sup>1</sup>	\$9.03
Market Cap <sup>1</sup>	\$8.0M
FY 2022 Revenue <sup>2</sup>	\$50.3M
Cash & Cash Equivalents <sup>3</sup>	\$6.6M
Shares Outstanding <sup>4</sup>	0.9M
Float <sup>4</sup>	0.8M
Headquarters	Brooklyn, NY
Employees	385

1. As of May 25, 2023
2. As of September 30, 2022
3. As of March 31, 2023
4. As of May 8, 2023



Creating the best video surveillance solutions for commercial, industrial, and government applications.

- End to End Solutions Provider, with over 50+ years in the industry with strong established legacy customer base
- Vicon's Valerus video management software (VMS) platform provides recurring revenue at high margins
- Over 30,000+ cameras sold annually

**Customers include:**

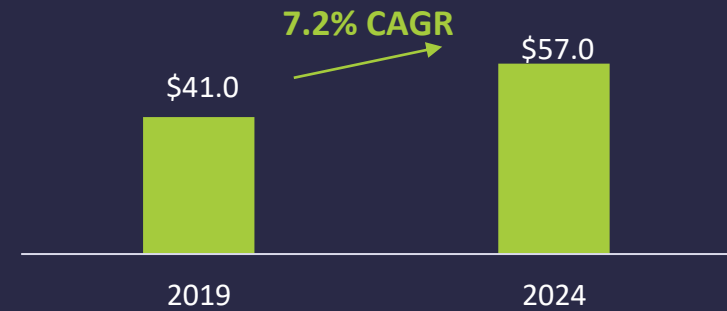
- Corrections
- Hospitals
- Airports
- Courthouses
- Gov't Buildings – Fed, State, Local
- Border Protection
- Manufacturing
- High-Rise Residential & Commercial

# Industry Dynamics

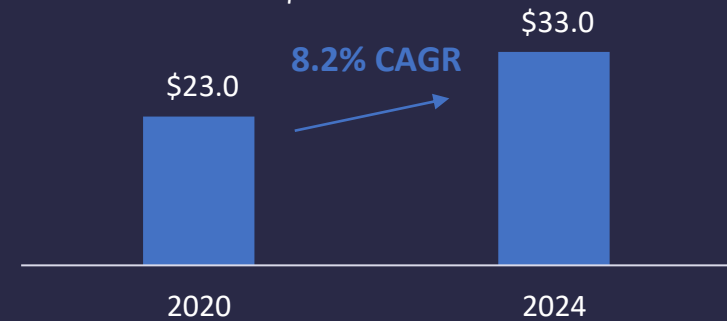
- Shift from perpetual on premise to recurring subscription based, cloud based, scalable deployments
- Advanced AI driven shift for automated security solutions
- High repeat business, attractive gross margins



**Physical Security Equipment Global Market<sup>1</sup>**  
\$ in billions



**Video Surveillance Global Market<sup>1</sup>**  
\$ in billions



Video Surveillance is largest physical security equipment category

Source: Omdia

# The Vicon Difference

Delivering Innovation & Value  
for Over 50 years.



**A Single-Source Supplier**  
Simplify purchasing and support.



**Open Platform**  
Works with other open security platforms, cameras and hardware.



**Centralized Platform**  
Monitor and track your entire security operation from a single interface.



**Lower Total Cost of Ownership**  
No surprise fees, additional support charges, and no forced upgrades.



**World Class Support**  
Our engineers are dedicated to resolving even your toughest challenges.



# Complete Vicon Solution



## Centralized Security Management System

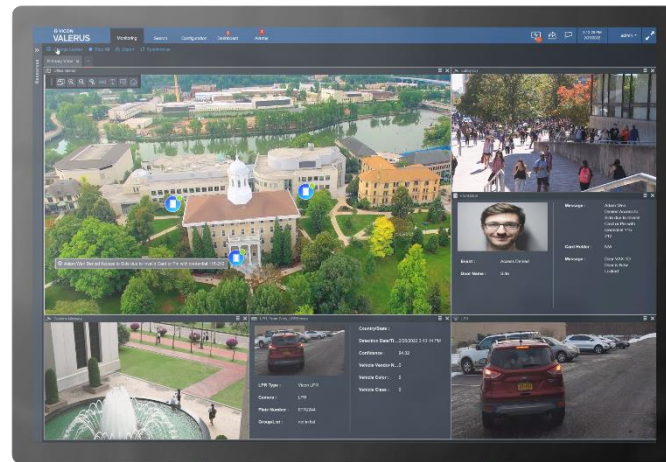
License Plate Recognition (LPR)

Valerus VMS

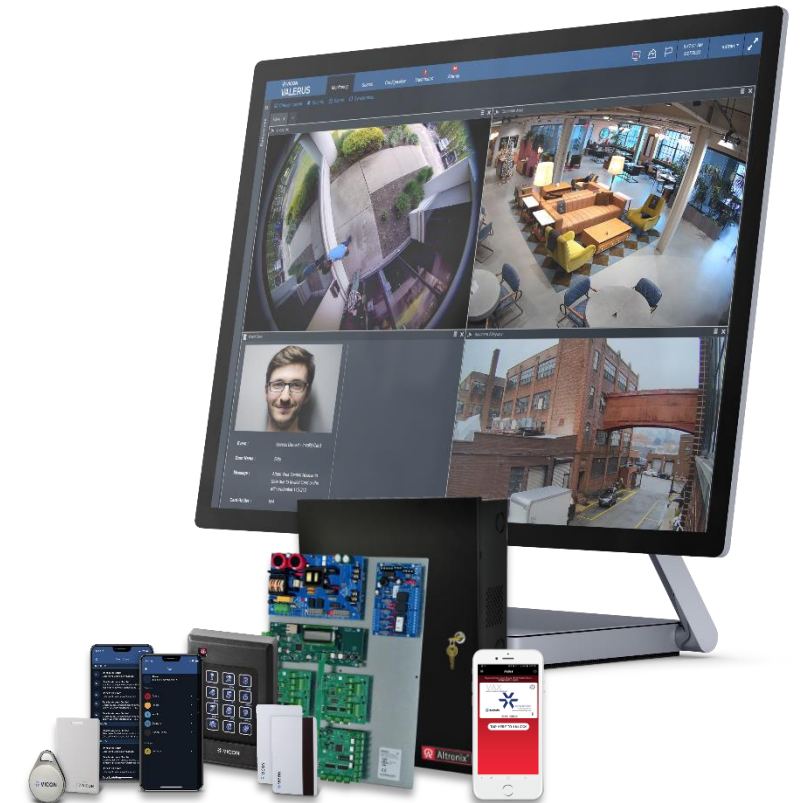
VAX Access Control



Servers



Intelligent Cameras



Readers & Controllers

# Deep-Learning AI Analytics



**Deep-learning AI helps classify objects to expedite investigations, lower storage costs and reduce nuisance alarms.**

- Proprietary algorithm requires less processing power, thereby reducing hardware costs for end-users
- When used in Vicon's Valerus VMS, operators can filter searches by people, vehicles or animals to reduce the amount of non-relevant video they have to watch
- Object-based recording options ensures the system records only relevant video, reducing total storage costs and requirements



# Vicon Operations & Outlook



## Outlook

- No budget cuts despite decrease in revenue as management views this as a short-term impact due to COVID
- Overall outlook on revenue remains optimistic for a return to growth over FY20 revenue numbers
- Increased engineering and product teams substantially with 7 key hires from competitors over last year to build industry leading products
- Expect short term operating expenses to be higher as the products under development are starting to be rolled out
- Expect ROI to start yielding results 2-3 years out and beyond

## Product Focus

- AI Based Analytics solutions – Launching in Q2 FY23
- Cloud based Video Surveillance as a Service offering – Launching in Q3 FY23
- Both products have opportunities for recurring revenue and attractive margins
- Software Development done in low-cost countries for competitive advantage

## Revenues

(Unaudited – Internal)

\$ in Millions	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023 (Est)
Net sales	\$24.2	\$24.1	\$20.7	\$23.5	\$28.0
GM%	43%	50%	39%	40%	48%



ADVANCED INDUSTRIAL  
SERVICES

## Single source industrial contractor

- 35+ years in industry
- Premier provider of industrial contracting services including millwrighting, rigging, piping, electrical, welding
- Installs high precision equipment in a wide variety of industrial markets including automotive, printing & graphics, industrial automation, packaging, and chemicals
- Expertise and capabilities in plant and equipment erection, relocation, and disassembly
- High repeat business and well-known reputation

# Industry Dynamics & Outlook



- The global Industrial Services market size was valued at \$29.5B in 2020 and is projected to reach \$45.3B in 2028, growing at a CAGR of 5.53%<sup>1</sup>
- Growth driven by an increase in demand for predictive maintenance services and the rise in the complexity of equipment
- Global industrial control and factory automation market size is projected to reach \$197.8B by 2026 from \$133.1 B in 2021, at a CAGR of 8.2%<sup>2</sup>
- American firms are expected to reshore almost 350,000 manufacturing jobs in 2022 -- an increase of 25% from 260,000 in 2021
- Opportunity to aggregate several regional contractors into a nationwide player

## AIS Outlook

- Profitable with strong balance sheet allows ability to offer more comprehensive services due to inventory of equipment
- Experienced management

### Revenues (Unaudited – Internal)

\$ in Millions	FY 19	FY 20	FY21	FY 22	FY 23 (Est)
Net sales	\$20.0	\$17.8	\$19.0	\$21.2	\$21.8
GM%	36.3%	36.2%	33.6%	29.9%	34.0%

# Financial Results



## Three Months

Ending March 31

## Six Months

Ending March 31

\$ in millions

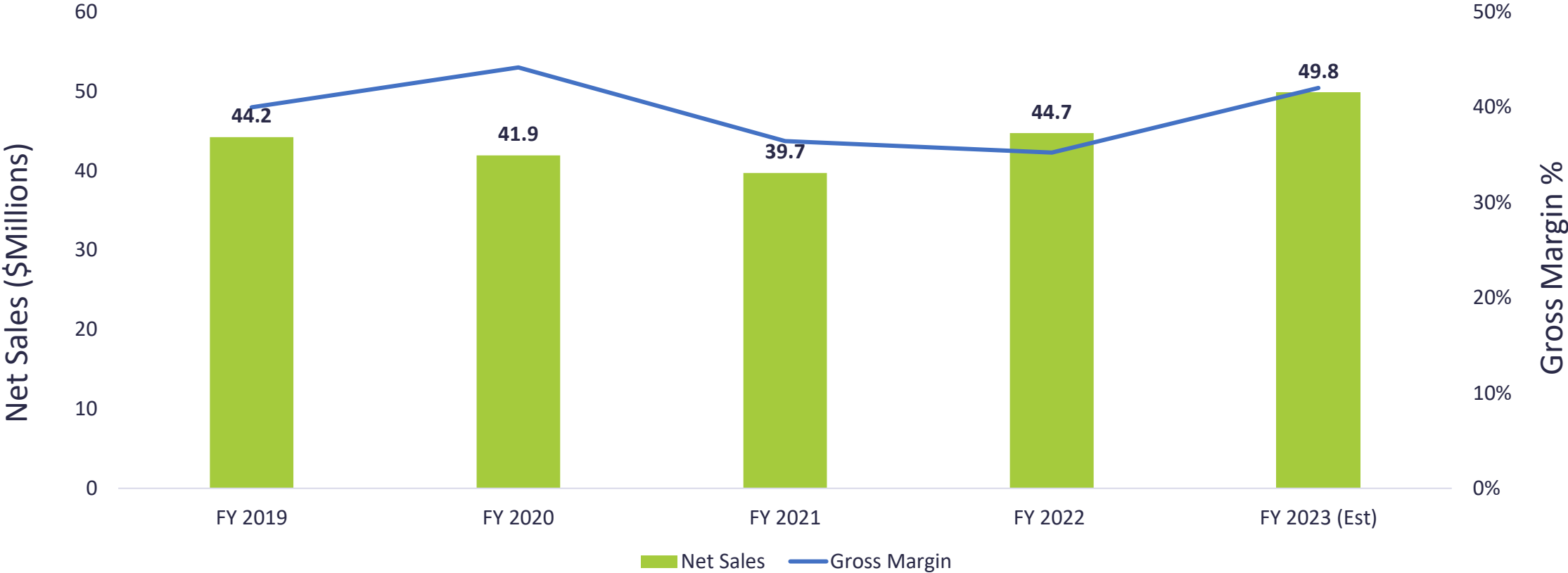
	FY 2023		FY 2022	
<b>Total Revenue</b>	\$	16.1	\$	11.7
<b>Gross Profit</b>	\$	7.3	\$	3.8
<b>Gross margin (%)</b>		46%		32%
<b>Operating Income</b>	\$	0.4	\$	(2.9)
<b>Net Income (loss)</b>	\$	(0.6)	\$	(4.7)

1) Use of Non-GAAP Measures: Earnings before interest, taxes, and depreciation and amortization (EBITDA) and Adjusted EBITDA are non-GAAP measures. In defining Non-GAAP EBITDA, the Company excludes the impact of non-cash stock-based compensation and other non-recurring items, such as R&D expenses and equity interest loss. EBITDA has limitations as an analytical tool and should not be evaluated in isolation or as a substitute for analysis of results as reported under U.S. GAAP. Management utilizes this metric as a basis for evaluating our ongoing operations, and believes investors' understanding of our performance is enhanced by including this non-GAAP financial measure as a reasonable basis for evaluating our ongoing results of operations, without the effects of interest, taxes, depreciation, and amortization and other non-recurring expenses.

# Financial Performance



Core business gives us a strong foundation to continue growing in high tech areas



# 2023 Outlook



\$ in Millions	FY2022	FY2023	Increase/Decrease
<b>Revenues</b>			
Vicon Industries	\$23.6	\$28.0	15.7%
Advanced Industrial Services	\$21.2	\$21.8	2.7%
<b>Gross Profit</b>			
Vicon Industries	\$8.8	\$13.5	34.8%
<i>Margin %</i>	37%	48%	1094 bps
Advanced Industrial Services	\$6.3	\$7.3	13.1%
<i>Margin %</i>	30%	34%	359 bps
<b>Operating Income</b>			
Vicon Industries	(5.7)	(2)	(64%)
Advanced Industrial Services	.6	1.5	138%
Corporate Expenses	-4.2	2.5	(40%)
Cemtrex Operating Income	(9.3)	(2.0)	(78%)
Vicon Inventory	\$8.7	\$7.2	(17%)

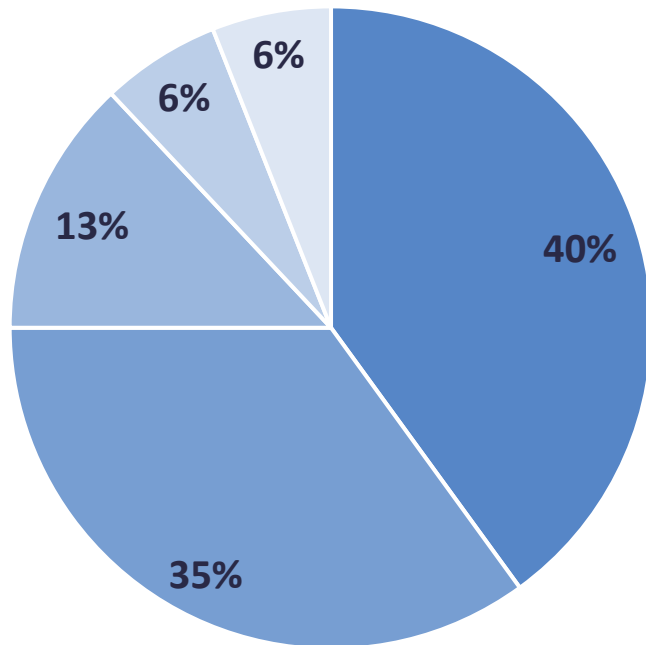
- Revenues for Vicon Industries, based on current demand, expected to increase by 16% given the launch of its AI based analytics solution, improvements to Valerus and additional sales
- Potential for AIS to expand by 3% to \$21.8 million along with strong growth in the Industrial Services market
- Substantial increase in gross margin driven by several organizational improvements
- Anticipate operating income at the company level to improved markedly by 78% to a loss of ~\$(2.0) million
- With ~\$10.0 million in cash and a dramatic reduction in expenses, expected to have sufficient capital in the near term to focus on executing on roadmap both financially and operationally without the need for additional capital

# Financial Model

## Vicon Model At Scale



Product Revenue Mix Today



■ Servers ■ Cameras ■ SW ■ Accessories ■ VAX

Vicon Revenue Model

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Recurring Revenue</b>	\$ 2,000,000	\$ 4,000,000	\$ 6,000,000	\$ 8,000,000	\$ 10,000,000
<b>Total Revenue</b>	\$ 28,500,000	\$ 34,000,000	\$ 42,500,000	\$ 50,500,000	\$ 60,000,000
<b>Gross Profit</b>	\$ 12,825,000	\$ 16,905,000	\$ 21,675,000	\$ 26,765,000	\$ 33,000,000
<b>Gross Margin</b>	45%	49%	51%	53%	55%
<b>Operating Income</b>	\$ (375,000)	\$ 2,745,000	\$ 5,235,000	\$ 8,165,000	\$ 11,520,000
<b>Operating Margin</b>	-1%	8%	12%	16%	19%

Shift to AI Based Analytics solutions & Cloud based VSaaS to drive recurring revenue growth

# Cemtrex Management



## Saagar Govil – Chairman & Chief Executive Officer

Saagar Govil has been with Cemtrex since 2008 and has been the Company's CEO and President since December 2011. He was recently named #17 on Business Insider's "Top 100 of Silicon Alley" and "Top 40 Under 40" by Stony Brook University. Prior to becoming the CEO, he was Vice President of Operations, responsible for sales, marketing, production, and engineering. He began his career as an applications engineer providing customer support on-site and designing turn-key engineered systems for various customers and projects. Saagar Govil has a B.E. in Materials Engineering from Stony Brook University, N.Y.



## Paul Wyckoff – Interim Chief Financial Officer

Mr. Wyckoff has been with Cemtrex since 2014 when he joined as the Manager of Financial Reporting and since 2019 has served as Corporate Controller. Previously the Controller at Vaso Corporation (formerly Vasomedical, Inc.) a medical device distribution company. He has 20 years of private accounting experience and holds a B.S. in Accounting from SUNY College at Old Westbury.

## VICON Management

**Shane Compton - COO**, Previously: Costar, Pelco

**Haim Shain - SVP, Product Management**, Previously: Carrier, FLIR

**Bret McGowan - SVP, US Sales**, 30+ years industry experience

**Jonathan Rudolph - VP, Corporate Marketing**

**Guy Nixon - Managing Director**, EMEA, 30+ years industry experience

**Ray Still - VP, Engineering**, Previously Motorola, Pelco

## Board of Directors

### Metodi Filipov - Director

- Entrepreneur and technology executive with 25+ years of experience creating, operating and driving growth for technology companies
- Formerly VP of Operations at Cemtrex from 2008 to 2010
- After Cemtrex served as Managing Director of Bianor, a mobile consulting company providing solutions for enterprise clients



### Manpreet Singh - Director

- Founder & CIO of Singh Capital Partners and was previously co-Founder of local services marketplace, TalkLocal



### Brian Kwon - Director

- President & Chief Procurement Officer of H Mart
- Extensive operations experience in purchasing, distribution, logistics, IT, HR, and e-commerce from his time at H-Mart



## AIS Management

**Jared Haas – COO**, previously GE

**Barb Lamer – CFO**, 20+ years experience



# Key Takeaways

- Refocused efforts on core businesses Vicon Industries and AIS
- Vicon shift to AI Based Analytics solutions & Cloud based VSaaS to drive recurring revenue growth in high gross margin businesses
  - *Security segment revenues increased 47% to \$9.9M in Q2'23*
- AIS set to expand with strong growth in the Industrial Services market
  - *AIS segment revenues increased 23% to \$6.2M in Q2'23*
- Generating cash flow and margin improvement through increasing prices and reducing overhead where possible
  - *Gross margin up 1360 basis points to 46% in Q2'23*
- Operating income at the corporate level to improve markedly with cash burn of ~\$2.0 million in 2023
  - *Operating income of \$0.4 million for Q2'23 compared to operating loss of \$2.9 million in Q2'22*
- Core business provides a strong foundation to continue organic growth in high tech areas
- M&A strategy targeting acquisitions in high growth markets with strong ROE and attractive gross margins
- Large, addressable and mature markets in Security, Business, Manufacturing, Government & Industrial



# Contact

## Company

Saagar Govil  
Chairman & CEO

## Investor Relations

Chris Tyson  
Executive Vice President  
MZ North America  
Direct: 949-491-8235  
[investors@cemtrex.com](mailto:investors@cemtrex.com)  
[www.mzgroup.us](http://www.mzgroup.us)

**cemtrex.com**

276 Greenpoint Ave., BLDG 8, 2<sup>nd</sup> FL, Brooklyn, NY 11222 USA

# Valerus VMS

## The Security Management System Hub



### Centralized security

Monitor, search and respond to LPR, Access Control and video events



### Simplify day-to-day maintenance

Track, troubleshoot and identify potential system issues with a global dashboard



### Manage alarms

Customize alerts so the right person gets the right info at the right time



### Expedite forensic searches

Expedite investigations with a suite of powerful search tools to find, review and export events



### Protects data

Protects data in the case of hardware failures with redundancy and failover options



### Streamline installation

Expedite installation and setup with auto-discovery and configuration tools



### Secures the system

Protects the system with advanced cybersecurity settings and notifications



### Monitor on-the-go

Access Valerus anytime and anywhere, and stream mobile video directly to the VMS

