

May 11, 2017



# Cemtrex Reports Fiscal Year 2017 Second Quarter Results

**Total Revenue Increased 61% Year-Over-Year to \$30.5 Million with Book Value increasing 109% to \$3.38 per share from year ago**

Farmingdale, NY, May 11, 2017 (GLOBE NEWSWIRE) -- Cemtrex (Nasdaq: CETX, CETXP, CETXW), a world leading industrial and manufacturing leader, today reported its financial results for the three-month and six-month periods ended March 31, 2017.

“We reported a 61% increase in total revenue to \$30.5 million for the second quarter of fiscal year 2017. This growth was driven organically and through the acquisitions we completed within the last year. There are significant opportunities for us to continue to grow in fiscal 2017 and beyond as we make additional strategic investments in our existing businesses and look to complete synergistic acquisitions,” stated Saagar Govil, Chairman and CEO of Cemtrex.

“Looking ahead, customers’ programs are steadily filling our industrial and electronics manufacturing pipelines for the remainder of the year, putting us on track to maintain planned growth for the balance of fiscal year 2017.”

“As Cemtrex continues to grow, we are positioned to build shareholder value even further. We do not believe the valuation of the Company’s stock fully represents the progress we have made over the past year. As a result, the Board of Directors utilized different financial tools, including a stock buyback program and paying dividends to common and preferred shareholders. We believe these actions benefit our existing shareholders, while also attracting a broader shareholder base.”

## Q2 FY 2017 Business Highlights and Financial Highlights

- **Total Revenue** for Q2 2017 increased 61% to \$30.5 million, compared to \$18.9 million for Q2 2016. This increase was primarily due to the acquisition of Periscope on May 31, 2016.
  - **Industrial Products & Services (IPS) Revenue** for Q2 2017 increased 19% to \$15.3 million, compared to \$12.9 million for Q2 2016. The increase was primarily due to increased shipment of goods and execution of projects.
  - **Electronics Manufacturing Services (EMS) Revenue** for Q2 2017 increased by 152% to \$15.2 million, compared to \$6.0 million for Q2 2016. This increase was primarily due to the acquisition of Periscope GmbH, an electronics manufacturing solutions business.
- **Gross Margin** for Q2 2017 was 31%, compared to 31% for Q2 2016.
- **Operating Margin** for Q2 2017 decreased to 2.5% compared to 4.7% for Q2 2016.

This is attributable to an increase in operating expenses to \$8.6 million for Q2 2017, compared to \$4.9 million for Q2 2016, which includes an increase of sales, marketing and professional service costs for the 2017 period.

- **Net Income** for Q2 2017 was \$413,468, or 0.04 per share, compared to \$829,896, or 0.10 per share for Q2 2016. This decrease was due to increase sales and marketing expenses in the second quarter, loss on disposal of assets and one time litigation expenses.
- **Cash and Cash equivalents** were \$15.9 million and the book value was \$3.38 per share at March 31, 2017.

### Six Month 2017 Financial Highlights

- **Total Revenue** for the six months ended March 31, 2017 increased 86% to \$59.9 million, compared to \$32.2 million for the same period in 2016. This increase was primarily due to the acquisitions of Advanced Industrial Services (AIS) and Periscope.
  - **IPS Revenue** for the six months ended March 31, 2017 increased 38% to \$28.6 million, compared to \$20.7 million for the same period in 2016. The increase was primarily due to the acquisition of AIS on December 15, 2015.
  - **EMS Revenue** for the six months ended March 31, 2017 increased 173% to \$31.3 million, compared to \$11.5 for the same period in 2016. The primary reason for increased sales was due to the acquisition of Periscope.
- **Gross Margin** for the six months ended March 31, 2017 was 32%, compared to 30% for the same period in 2016.
- **Operating Margin** for the six months ended March 31, 2017 increased to 5% to 4% for the six months ended March 31, 2016. This increase reflects higher revenue for the 2017 period, which offset the increase in operating costs to \$16.3 million, compared to \$8.3 million for the same period in 2016.
- **Net Income** for the six months ended March 31, 2017 increased 20% to \$1.8 million, or \$0.18 per share, compared to \$1.5 million, or \$0.09 per share for the same period in 2016. This increase was primarily due to the acquisitions of AIS and Periscope.

### Conference Call and Webcast Information

Cemtrex will host a conference call with the investment community on Thursday, May 11<sup>th</sup> at 11:00 a.m. Eastern Time featuring remarks by Saagar Govil, Chairman and CEO of Cemtrex. The dial-in numbers for the conference call are 877-524-8416 (Toll-Free) or 412-902-1028 (Toll). Please call at least five minutes before the scheduled start time.

For interested individuals unable to join the conference call, a replay of the call will be available through May 25, 2017, at 877-660-6853 (Toll-Free) or 201-612-7415 (Toll). Participants must use the following code to access the replay of the call: 13661064.

Cemtrex will also offer a live and archived webcast of the conference call, accessible from the "Investor Relations" section of the Company's website at <http://www.cemtrex.com/investor-relations/>. The online archive of the webcast will be

available for 30 days following the call.

## **About Cemtrex**

Cemtrex Inc. ([CETX](#)) is a global, diversified industrial and manufacturing company that provides a wide array of solutions to meet today's technology challenges and is rapidly growing through acquisitions. Cemtrex provides: manufacturing services of advanced custom engineered electronics, industrial contracting services, monitoring instruments for industrial processes and environmental compliance, and equipment for controlling particulates, hazardous pollutants and greenhouse gases used in carbon trading globally.

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## **Safe Harbor Statement**

This press release contains forward-looking statements. Actual results could differ materially from those projected in the forward-looking statements as a result of a number of risks and uncertainties. Statements made herein are as of the date of this press release and should not be relied upon as of any subsequent date. 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 to make operating decisions.

For further information, please contact:

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