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Cemtrex, Inc. (CETX) Announces Results for the Third Quarter ended June 30, 2019

New York, NY, Aug. 20, 2019 (GLOBE NEWSWIRE) -- Cemtrex Inc. (Nasdaq: CETX, CETXW, CETXP), a leading global technology company, announced its second quarter consolidated results of operations for the three and six months ended June 30, 2019.

Third Quarter Highlights:

- Total revenue for the three months ended June 30, 2019 and 2018 was \$22,452,050 and \$19,164,314, respectively, an increase of \$3,287,736, or 17%. Total revenue in the second quarter increased, as compared to total revenue in the same period last year, primarily due to new revenues in the Advanced Technologies Segment.
- Gross Profit for the three months ended June 30, 2019 was \$8,571,576 or 38% of revenues as compared to gross profit of \$7,263,415 or 38% of revenues for the three months ended June 30, 2018. Gross profit as a percentage of revenues in the three months ended June 30, 2019 increased as compared to the three months ended June 30, 2018 as the Company works to achieve economies of scale, lower expenses, and shift to products and services with higher margins.
- Net income available to common shareholders for the three months ended June 30, 2019 and 2018 was a loss of \$2,933,338 and a loss of \$3,498,291, respectively, a decrease in the loss of \$564,953, or 16%. Net loss available to common shareholders decreased due to decreased personnel and research and development expenses in the Advanced Technologies segment offset by the consolidation of Vicon Industries, Inc., higher interest and other expenses due to one-time expenses related to the Company's notes payable and settlement of litigation regarding the Series B Preferred Stock, and lower revenues in the Industrial Technology segment due to the decline in demand for environmental products.

Nine Months Ended June 30, 2019 Financial Highlights

- Total revenue for the nine months ended June 30, 2019 and 2018 was \$63,344,091 and \$71,959,510, respectively, a decrease of \$8,615,419, or 12%. Total revenue in the first three quarters decreased, as compared to total revenue in the same period last year, due to decreased revenues in the Electronics Manufacturing segment, and lower sales in the Industrial Technology segment due to the weak demand for environmental products offset by revenues in the Advanced Technologies Segment, which had an increase in revenues of \$12,993,088 as compared to the same period last year.
- Gross Profit for the nine months ended June 30, 2019 was \$25,016,090 or 39% of revenues as compared to gross profit of \$25,295,237 or 35% of revenues for the nine months ended June 30, 2018. Gross profit as a percentage of revenues in the nine months ended June 30, 2019 increased as compared to the nine months ended June 30, 2018 as the Company works to achieve economies of scale, lower expenses, and

shift to products and services with higher margins.

- Net income available to common shareholders for the nine months ended June 30, 2019 and 2018 was a loss of \$8,051,287 and \$2,342,829, respectively, an increase of the loss of \$5,708,458, or 244%. Net income available to common shareholders decreased due to increased expenses in sales and marketing for the SmartDesk and VR applications in the Advanced Technologies segment as well as the consolidation of the variable interest entity, Vicon Industries, Inc., higher interest and other expenses due to one-time expenses related to the Company's notes payable and settlement of litigation regarding the Series B Preferred Stock, and lower revenues in the Industrial Technology segment in response to the decline in demand for environmental products.

Cemtrex's Chairman and CEO, Saagar Govil, commented on the results, "We have implemented a number of changes in our organization to focus on increasing cash flow from operations which have already started to materialize. This quarter we also experienced increased expenses due to several one-time finance and legal charges which lowered our financial performance for the quarter. We expect that as these operational improvements go into effect over the next few quarters our financial performance will improve to profitability."

About Cemtrex

Cemtrex, Inc. (NASDAQ:CETX) is a global, multi-industry company that provides a wide array of solutions to meet today's consumer, commercial, and industrial challenges.

Cemtrex provides manufacturing services of advanced custom engineered electronics, integrated hardware and software solutions, industrial contracting services, and development of smart electronic devices. The Company also creates virtual reality and augmented reality applications.

www.cemtrex.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 our new product offerings 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. These risks and uncertainties include, but are not limited to: operational losses and negative cash flows; any need for additional financing; market acceptance of our products; our ability to manufacture and develop effective products and solutions; indebtedness to our lenders; current and future economic conditions that may adversely affect our business and customers; potential fluctuation of our revenues and profitability from period to period which could result in our failure to meet expectations; our ability to maintain adequate levels of working capital; our ability to incentivize and retain our current senior management team and continue to attract and retain qualified scientific, technical and business personnel; our ability to expand our product offerings or to develop other new products and services; our ability to generate sales and profits from current product offerings; rapid technological changes and new technologies that could render certain of our products and services to be obsolete; competitors with significantly greater financial resources; introduction of new products and services by competitors; challenges associated with expansion into new markets; and, other factors 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.

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