

January 14, 2020



# Cemtrex, Inc. (CETX) Announces Results for Fiscal Year Ending September 30, 2019

New York, NY, Jan. 14, 2020 (GLOBE NEWSWIRE) -- [Cemtrex Inc.](#) (Nasdaq: CETX, CETXP, CETXW), a leading multi-industry technology company that is driving innovation in a wide range of consumer and commercial sectors, announced its financial results for the fiscal year ending September 30, 2019.

## Results of Fiscal 2019:

- **Sales:** Total revenue for the years ended September 30, 2019 and 2018 was \$39,265,041 and \$22,641,417, respectively, an increase of \$16,623,624, or 73%. Total revenue for the fiscal year increased, as compared to total revenue in the same period last year, due to the consolidation of Vicon Industries, Inc., sales and other increases in the Advanced Technology Segment.
  - Our Advanced Technologies segment revenues for the years ended September 30, 2019 and 2018 were \$19,268,687 and \$1,765,106, respectively, an increase of \$17,503,581 or 992%. This increase represents mainly the consolidation of Vicon Industries, Inc.
  - Our Industrial Services segment revenues for the year ended September 30, 2019 decreased by \$879,957 or 4%, to \$19,996,354 from \$20,876,311 for the year ended September 30, 2018. The decrease was primarily due to the timing and recognition of revenue.
- **Gross Profit:** Gross Profit for the year ended September 30, 2019 was \$15,562,674 or 40% of revenues as compared to gross profit of \$8,215,954 or 36% of revenues for the year ended September 30, 2018. The increase in gross profit percentage in the year ended September 30, 2018, as compared to the prior year, was a direct result of the sale of products and services with higher profit margins.
- **Net Loss:** The Company had a net loss of \$21,862,716 or 56% of revenues, for the year ended September 30, 2019 as compared to a net loss of \$9,240,409 or 41% of revenues, for the year ended September 30, 2018. Net loss in this period as compared to the previous period was higher due to the discontinued operations of the Environmental Products business and its Electronics Manufacturing Segment. Fiscal year 2019 net loss included a loss of \$10,559,963 from discontinued operations and it also included an interest expense of \$4,785,506 as compared to fiscal year 2018 which had an income of \$1,786,737 from discontinued operations and an interest expense of \$800,398.

Cemtrex's Chairman and CEO, Saagar Govil, commented on the results, "This past year we exited our Environmental businesses which have struggled in recent years due to decreasing government regulations globally. We also exited the Electronics Manufacturing

segment because it had low margins and would face strong headwinds for the next several years due to the tepid outlook in Europe. This transition has allowed us to shift away from lower margin, low growth markets into higher growth technology markets with better long-term opportunities. The two restructured and retained segments have better gross and net margins with opportunities for attractive growth.”

“We also continue to see increased demand in our Advanced Technologies segment as we focus on security and IoT markets. The market for security technology products is increasing due to global demand for smart, safe cities and security surveillance today and will be a key part of our growth strategy for the next several years. Additionally, our team is focused on enhancing the SmartDesk with a lower price model that enables laptop docking as a primary feature. We will continue to balance our desire for positive operating cash flow with investments in research and development that will create long-term growth.”

“Furthermore, we always remain on the lookout for opportunistic and synergistic acquisitions which will have substantial long-term value to Cemtrex.” continued Mr. Govil.

## **About Cemtrex**

Cemtrex, Inc. (NASDAQ:CETX) is the manufacturer of the [SmartDesk](#), the world’s most advanced workstation. Cemtrex is a diversified technology company that is driving innovation in a wide range of sectors, including smart technology, virtual and augmented realities, advanced electronic systems, industrial solutions, and intelligent security systems. [www.cemtrex.com](http://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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