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Cemtrex Reports First Quarter 2021 Financial Results

Brooklyn, NY, June 01, 2021 (GLOBE NEWSWIRE) -- — [Cemtrex Inc.](#) (NASDAQ: CETX, CETXP, CETXW), a technology company driving innovation in Internet of Things (IoT), security, machine vision & artificial intelligence, and augmented & virtual reality, has reported its financial and operational results for the first quarter ended December 31, 2021.

Key First Quarter 2021 and Subsequent Operational Highlights

- Received a \$1.1 million order to install a new security technology system through its Advanced Technology Segment for a large corrections facility in the United Kingdom. The enterprise-class system includes a state-of-the-art video surveillance security system, Valerus software solution, cameras, and related storage hardware, and is expected to be fulfilled during the remainder of this fiscal year.
- Announced the SmartDesk Connect, an advanced workstation that includes 4K UHD monitors, a sit-stand desk, ergonomic tabletop, with built-in wireless phone charger, all powered by a user's laptop when connected to the SmartDesk.

Management Commentary

Cemtrex's Chairman and CEO, Saagar Govil, commented on the results: "In the first quarter of 2021, we announced the next generation SmartDesk, the SmartDesk Connect. The product is an evolution of original patented SmartDesk, providing many of the same features but also allowing users to use their own laptop instead of a built-in PC. Recently we secured a \$1.1 million order in our Advanced Technology Segment for a large corrections facility in the United Kingdom, a key market and growth driver for us.

"Moving forward we remain focused on driving top line growth in 2021, as the market returns to normal, workers return to offices, and customers resume purchasing. To this end, we are seeing early indicators of an increase in U.S. economic growth in 2021. Positive outlook generally increased in the last several months as COVID-19 vaccinations rapidly progressed and political considerations turned more optimistic. We expect an improvement in our business during the year as the pandemic recedes and its effect on the economy subsides. We are well positioned for a return to growth and to creating long term value for our shareholders," concluded Govil.

First Quarter 2021 Financial Results

Revenue for the three months ended December 31, 2020, and 2019 was \$8.8 million and \$12.2 million, respectively, a decrease of 28%. The decrease in revenue was primarily due to shutdowns and limited operations of businesses due to the COVID-19 crisis. The Advanced Technologies segment revenues for the three months ended December 31, 2020, decreased by 35% to \$4.7 million, and the Industrial Services segment revenues for quarter

decreased by 17%, to \$4.2 million.

Gross Profit for the first quarter of 2021 was \$4.0 million, or 45% of revenues as compared to gross profit of \$5.3 million, or 44% of revenues for the year ago period. Gross profit decreased due to lower sales, however the percentage increase is due to a shift by management in the last fiscal year to focus on products with higher gross margins.

Total operating expenses for three months ended December 31, 2020 were \$6.1 million, compared to \$5.0 million in the prior year's quarter. The increase in total operating expenses was primarily driven by increases in personnel costs, marketing and sales expenses, offset by a reduction in travel expenses.

Operating activities for continuing operations used \$0.1 million for the quarter ended December 31, 2020 compared to using \$1.0 million of cash for the quarter ended December 31, 2019.

Net loss for the quarter ended December 31, 2020 was \$1.3 million, as compared to a net loss of \$0.6 million in 2019.

Cash and cash equivalents totaled \$15.9 million at December 31, 2020, as compared to \$19.5 million at September 30, 2020 and \$4.0 million at December 31, 2019.

About Cemtrex

Cemtrex, Inc. (CETX) is a leading multi-industry technology company that is driving innovation in markets such as Internet of Things (IoT), Augmented and Virtual Reality (AR & VR), and Artificial Intelligence and Computer Vision (AI & CV) in a wide range of sectors, including consumer products, industrial manufacturing, digital applications, and intelligent security & surveillance systems. www.cemtrex.com.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements relating to the closing of the offering, gross proceeds from the offering, our new product offerings, expected use of proceeds, 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. Statements made herein are as of the date of this press release and should not be relied upon as of any subsequent date. These risks and uncertainties are 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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Source: Cemtrex Inc.