

May 15, 2026



Cemtrex Reports Fiscal Year 2026 Second Quarter Financial Results

Hauppauge, NY, May 15, 2026 (GLOBE NEWSWIRE) -- Cemtrex, Inc. (Nasdaq: CETX, CETXP) today reported results for the 2026 second fiscal quarter ended March 31, 2026.

Key Highlights for Second Fiscal Quarter 2026

- Industrial Services segment revenue increased 7% year-over-year to \$11.0 million. AIS (excluding recently acquired AIS TN) generated approximately \$1 million of operating earnings on \$9.7 million of revenue during the second fiscal quarter — an approximately 10% operating margin, fully consistent with AIS's historical profile.
- Aerospace & Defense segment launched with \$1.2 million of revenue in its first quarter of consolidation, and \$0.8 million of contract liabilities (deferred revenue) on the balance sheet supporting future quarters.
- Security segment gross margin improved approximately 500 basis points sequentially to 44% in Q2 from approximately 39% in Q1, reflecting initial benefits from pricing actions and the cost reduction program recently implemented.
- Stockholders' equity increased to \$34.7 million at March 31, 2026, from \$8.7 million at September 30, 2025, an improvement of approximately \$26 million.
- Working capital improved to \$12.6 million at March 31, 2026, from \$5.2 million at September 30, 2025.
- Completed the acquisitions of Invocon (January 2026, launching the Aerospace & Defense segment) and Richland Industries (February 2026, expanding Industrial Services). Currently under letter of intent on an additional Industrial Services acquisition, with further details to be provided as that transaction progresses.

Management Commentary

Cemtrex Chairman and CEO, Saagar Govil, commented on the results:

"The second fiscal quarter was a period of significant expansion at Cemtrex. We completed two acquisitions, launched a new Aerospace & Defense segment, materially strengthened our balance sheet, and continued executing on the cost and pricing actions in our Security segment that we previously announced. The performance of each operating segment is described below.

Industrial Services. Our Industrial Services segment reported \$11.0 million of revenue, up 7% year-over-year, and \$0.7 million of segment operating income on a consolidated basis. The reported segment margin understates AIS's underlying performance. AIS, excluding AIS TN, generated approximately \$1 million of operating earnings on \$9.7 million of revenue during the second fiscal quarter — an approximately 10% operating margin, fully consistent with AIS's historical profile.

AIS TN, during the same period, generated an operating loss of approximately \$0.3 million.

We acquired Richland Industries, now AIS TN, with \$600,000 attributed to the purchase of the business and \$4,900,000 for the property. The purchase of the business was at a substantial discount to book value because the business required a period of restructuring, and that discount is reflected in the \$2.1 million bargain purchase gain recorded in the quarter. We expect AIS TN to contribute \$8 to \$10 million in revenue over the next twelve months and to approach AIS's historical margin profile as restructuring is completed by the end of the current fiscal year.

Aerospace & Defense. Invocon, in its first quarter of consolidation, contributed \$1.2 million of revenue and a segment operating loss of approximately \$0.4 million. The reported revenue figure understates underlying business activity. Invocon's operations are characterized by long-cycle programs with revenue recognized as performance milestones are met, while the cost base is incurred in the current period. At quarter end, the segment carried approximately \$0.8 million of contract liabilities (deferred revenue) on the balance sheet. As that deferred revenue converts in coming quarters, recognized revenue is expected to catch up to underlying activity, and we expect the segment to move toward operating profitability. Subsequent to quarter end, Invocon was awarded a Phase I Small Business Innovation Research contract with the Naval Sea Systems Command, further validating the segment's technical positioning and growing relevance to U.S. Navy programs.

Security. Our Security segment, operated under Vicon, reported \$5.8 million of Q2 revenue compared to \$17.0 million in the prior-year second quarter. The prior-year period included a single approximately \$10.4 million security technology sale that did not recur. Excluding that one-time sale, underlying Security segment revenue was approximately \$6.6 million in the prior-year quarter compared to \$5.8 million this quarter — a year-over-year decline of approximately 12% on an underlying basis, reflecting the softer government and public-sector demand environment we discussed last quarter. Security gross margin improved approximately 500 basis points sequentially, to 44% in Q2 from approximately 39% in Q1, reflecting the initial benefit of pricing adjustments implemented during Q1.

In January 2026 we completed a restructuring at Vicon that carried approximately \$200,000 of one-time expenses in the quarter and, together with related actions, is expected to deliver \$2.5 to \$3.0 million of annualized cost savings, with the bulk of those savings being more evident in the third fiscal quarter. Subsequent to quarter end, we have begun to see government and public-sector customer activity, which had stalled at below historical levels during the first quarter, ramping back up. We continue to expect the combination of cost actions, pricing improvements, and recovering public-sector demand to drive continued improvement in Security performance over the coming quarters.

Capital structure and acquisition activity. During the first half of fiscal 2026, we materially strengthened the Company's capital position. Stockholders' equity increased to \$34.7 million at March 31, 2026 from \$8.7 million at September 30, 2025, an improvement of approximately \$26 million. Working capital improved to \$12.6 million from \$5.2 million. These improvements were driven by equity offerings, warrant exercises, and the satisfaction of certain debt obligations through the issuance of common stock. This strengthened balance sheet, combined with the operating platforms we have assembled, enables us to continue pursuing disciplined acquisitions. With Invocon and Richland completed and contributing, we are currently under letter of intent on an additional acquisition within our Industrial Services

segment, with further details to be provided as that transaction progresses. Our goal is to maintain or accelerate the current pace of acquisition activity as we continue building a diversified industrial and technology platform.

Our consolidated Q2 results were weighed down by three identifiable, time-bound factors: AIS TN's restructuring period, Invocon's revenue recognition timing, and the residual impact of cost actions at Vicon that have not yet fully annualized. Each is on a defined path. AIS, excluding TN, is performing at historical margins today. Invocon's deferred revenue supports catch-up in coming quarters. Vicon's cost actions will increasingly flow through, and pricing improvements are already visible in the gross margin line. With two acquisitions integrated, a third under letter of intent, a Navy program win, and a balance sheet repositioned to support further growth, Cemtrex is meaningfully better positioned exiting the second fiscal quarter than entering it."

Condensed Financial Summary (Fiscal Q2 2026)

- **Revenue:** \$18.1 million
- **Gross profit:** \$6.8 million
- **Gross margin:** 38%
- **Operating loss:** \$2.2 million
- **Bargain purchase gain (reported in other income per GAAP):** \$2.1 million
- **Net income attributable to Cemtrex stockholders:** \$0.9 million
- **Cash, cash equivalents, restricted cash, and marketable securities:** \$12.9 million
- **Working capital:** \$12.6 million
- **Stockholders' equity:** \$34.7 million

Additional details are available in the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission.

About Cemtrex

Cemtrex, Inc. (Nasdaq: CETX) is a diversified industrial and technology company operating across the Security, Industrial, and Aerospace & Defense sectors. The Company's Security segment, led by Vicon Industries, provides advanced video management software, high-performance security cameras, and integrated surveillance solutions for enterprise, government, and critical infrastructure customers. Its Industrial segment, through Advanced Industrial Services (AIS), delivers specialized rigging, millwrighting, process piping, and equipment installation services to manufacturers nationwide. Cemtrex's Aerospace & Defense segment, anchored by Invocon, provides mission-critical engineering, instrumentation, and sensing solutions supporting aerospace, defense, and space-based programs. With a focus on disciplined execution and strategic growth, Cemtrex is committed to building durable businesses that enhance safety, reliability, and long-term value for its customers and shareholders.

For more information, visit www.cemtrex.com.

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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 anticipated

operational performance, potential acquisitions, strategic initiatives, closing of any offerings, gross proceeds from any offerings, 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: Centrex Inc.