

June 8, 2023



Cemtrex to Acquire Mechanical Contracting and Steel Fabrication Company to Expand AIS Industrial Segment

Highly Synergistic Acquisition Adds Approximately \$11 Million in Revenue, Positive Cash Flow and Expands Capabilities and Customers into New Markets. Transaction Expected to Close in June 2023 and Be Accretive in Fourth Quarter of Fiscal Year 2023

Brooklyn, NY, June 08, 2023 (GLOBE NEWSWIRE) -- - [Cemtrex Inc.](#) (NASDAQ: CETX, CETXP), an advanced security technology and industrial services company, today announced that it has entered into a definitive agreement to acquire a leading service contractor and steel fabricator that specializes in industrial and water treatment markets.

Founded in 1988 in Central Pennsylvania, the industrial service contractor is focused on steel fabrication and contracting primarily to the commercial and industrial water treatment industry, as well as other service industries. The company provides the water treatment industry with a variety of fabricated vessels and equipment including ASME pressure vessels, heat exchangers, mix tanks, reactors, and other specialized fabricated equipment. Additionally, the contracting team assists with installation and service of fabricated items. The company has over 33,000 square feet of manufacturing floor space in its facility and an experienced staff of fabricators, welders, and field mechanics.

“This acquisition of an established contractor in a growth market is highly synergistic with our Advanced Industrial Services (“AIS”) subsidiary,” said Saagar Govil, Cemtrex Chairman and CEO. “We will build on the company’s achievements, enabling us to expand our fabrication capabilities into new markets, and our customer base into government and industrial verticals, as well as expanded geographies, the company is not servicing today. As a result of aging infrastructure, increased water scarcity, and stringent EPA rules, the demand for water treatment systems and service is expected to grow into the future.

“The acquisition brings over \$11.6 million in annual revenue and approximately \$775K in adjusted EBITDA, when averaged over the last four years, with its client list of commercial and industrial facilities, a seasoned team and extensive manufacturing equipment. We expect to add significant value beyond the immediately accretive revenue stream and believe the acquisition will continue to drive future growth. This also represents the first acquisition as part of our Industrial segment’s expansion strategy, with opportunity for more down the road,” concluded Govil.

Cemtrex reported a strong fiscal second quarter 2023 performance for its Industrial segment, with revenue increasing 23% to \$6.2 million for the three months ended March 31, 2023. The

Company believes AIS will continue to expand revenues and may exceed its original 3% target of \$21.8 million for fiscal year 2023, driven by continued strength in the Industrial Services market. Gross Profit increased 51% to \$2.2 million and Gross Profit Margin for AIS improved to 36% for the quarter compared to 29% for the prior year.

Cemtrex will acquire the company for \$2.4 million in cash and a note and the real estate the business occupies is also being purchased for \$1.5M, subject to customary closing adjustments. Cemtrex will fund the transaction with existing cash on hand and through bank financing from Fulton Bank. The acquisition is expected to close in June 2023, subject to customary closing conditions, and is expected to be accretive beginning in Q4 FY2023.

A Non-GAAP Reconciliation of the company's Adjusted EBITDA is below:

| Non-GAAP Reconciliation | | Last 4 Calendar Year Avg. |
|-------------------------|----|---------------------------|
| Revenue | \$ | 11,612,199 |
| Operating Income | \$ | 356,958 |
| + Depreciation | \$ | 237,402 |
| + Seller's Expenses | \$ | 183,046 |
| = Adjusted EBITDA | \$ | 777,405 |

About Cemtrex

Cemtrex Inc. (CETX) is a company that owns two operating subsidiaries: Vicon Industries Inc and Advanced Industrial Services Inc.

Vicon Industries, a subsidiary of Cemtrex Inc., is a global leader in advanced security and surveillance technology to safeguard businesses, schools, municipalities, hospitals and cities. Since 1967, Vicon delivers mission-critical security surveillance systems, specializing in engineering complete security solutions that simplify deployment, operation and ongoing maintenance. Vicon provides security solutions for some of the largest municipalities and businesses in the U.S. and around the world, offering a wide range of cutting-edge and compliant security technologies, from AI-driven video analytics to fully integrated access control solutions. For more information visit www.vicon-security.com

AIS – Advanced Industrial Services, a subsidiary of Cemtrex, Inc., is a premier provider of industrial contracting services including millwrighting, rigging, piping, electrical, welding. AIS Installs high precision equipment in a wide variety of industrial markets including automotive, printing & graphics, industrial automation, packaging, and chemicals. AIS owns and operates a modern fleet of custom designed specialty equipment to assure safe and quick installation of your production equipment. Our talented staff participates in recurring instructional training, provided to ensure that the most current industry methods are being utilized to provide an efficient and safe working environment. For more information visit www.ais-york.com

For more information visit 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.

Investor Relations
Chris Tyson
Executive Vice President - MZ North America
Direct: 949-491-8235
CETX@mzgroup.us
www.mzgroup.us



Source: Cemtrex Inc.