

February 14, 2025



# Cemtrex Reports First Quarter Fiscal Year 2025 Financial Results

Hauppauge, NY, Feb. 14, 2025 (GLOBE NEWSWIRE) -- [Cemtrex Inc.](#) (NASDAQ: CETX, CETXP), an advanced security technology and industrial services company, has reported its financial and operational results for the fiscal first quarter ended December 31, 2024.

## Key Highlights for First Fiscal Quarter 2025

- Revenue for Q1'25 decreased 19% to \$13.7 million, compared to revenue in the prior year of \$16.9 million.
- AIS revenue increased 7% to \$8.3 million, capitalizing on strategic acquisitions and growing market demand.
- Vicon Innovations: Launched NEXT™ Modular Camera System, integrating groundbreaking AI analytics and Hailo-15 edge AI processing, poised to redefine the surveillance industry.
- Strategic Momentum: Secured a record-breaking \$10.4 million order for Valerus surveillance system expansion

## Management Commentary

Cemtrex Chairman and CEO, Saagar Govil, commented on the results: “The first fiscal quarter of 2025 was highlighted by sustained growth for AIS on high demand for its products and services, offset by a decrease in Vicon revenue as companies delayed orders of multiple projects due to uncertainties with the transition to a new federal administration. Operating loss for the first fiscal quarter of 2025 was \$2.3 million, compared to \$0.7 million a year ago, mainly due to the decrease in revenue and resulting lower gross profit. Net loss was \$28.5 million compared to \$1.2 million in the prior year’s quarter, primarily due to recognized losses on excess fair value of warrants, a non-cash expense of \$25.8 million.

“Our Security segment revenue in the first quarter decreased 41% to \$5.5 million due to a weaker industrywide demand for security solutions, compounded by order and project delays stemming from uncertainty surrounding the most recent election cycle. Vicon has now renewed its momentum with new orders as the market refocuses and achieved record sales in January 2025. Many of these orders began shipping in the second fiscal quarter of 2025, including a record-breaking \$10.4 million order for a state government corrections facility in the mid-Atlantic region. We expect sales for the fiscal second quarter to put us on well on pace to reach or exceed our year-over-year growth target of 15%-20%.

“Our optimistic outlook for Vicon is based on the exciting new security technologies, products and partnerships announced in recent months. Vicon introduced NEXT™, a next generation modular camera platform that transforms how security integrators and end-users install, interact, and support their camera systems, which began shipping in February 2025. We have also integrated disruptive AI analytics for detecting armed persons in surveillance footage to be included in NEXT Cameras. With Hailo, an AI chip manufacturer known for its

high-performance edge AI processors, we have integrated the groundbreaking Hailo-15 System-on-a-Chip (SoC) into the NEXT Modular Camera System. Taken together, we believe Vicon is well-positioned to leverage these investments in new technologies and products to ramp sales, with an increasing opportunity to grow revenue and gross margin over the next several quarters.

“For our Industrial services segment, AIS continued to execute on orders and contract awards, growing 7% to \$8.3 million in the first quarter of 2025. From large-scale infrastructure to wastewater infrastructure contracts, AIS’s success is powering its strong market position and expanding its growth outlook. AIS has multiple projects set for completion in 2025, and a strong pipeline of orders from leading companies. We also continue to explore additional acquisition opportunities that can build on and accelerate our growth further.

“Looking ahead, we believe the strength and reputation of our two segments’ products and services will continue to build revenue and shareholder value in 2025. Vicon’s next generation cameras and software are leveraging new AI capabilities and technologies to attract attention from new and existing customers to meet their evolving security challenges. AIS is demonstrating its ability to attract multi-million-dollar project wins from leading companies and governmental agencies, with a strong pipeline that will drive additional revenue,” concluded Govil.

### **Segment Highlights:**

#### **Vicon Industries:**

- Vicon Industries revenues for fiscal Q1’25 decreased 41% to \$5.5 million.
- Announced a record breaking \$10.4 million order for a state government corrections facility in the mid-Atlantic region, expanding the customer’s Valerus surveillance security system with additional hardware, including enhanced storage infrastructure.
- Unveiled NEXT, a next generation modular camera platform that transforms how security integrators and end-users install, interact, and support their camera systems, which began shipping in January 2025.
- Secured a partnership with Hailo, an AI chip manufacturer known for its high-performance edge AI processors, to integrate the groundbreaking Hailo-15 System-on-a-Chip (SoC) into Vicon’s NEXT Modular Camera System.
- Announced the integration of an innovative Artificial Intelligence (AI) gun detection feature in its NEXT Cameras, marking a significant milestone in public safety and security technology.

#### **Advanced Industrial Services:**

- Industrial Services segment revenues for fiscal Q1’25 increased 7% to \$8.3 million.
- Awarded two project contracts totaling \$6.7 million for upgrades at the Clearwater Road Wastewater Treatment Facility in Derry Township, Pennsylvania.

### **First Quarter Fiscal 2025 Financial Results Overview**

Revenues for the first fiscal quarter of 2025 were \$13.7 million, compared to \$16.9 million in

the first fiscal quarter of 2024, a decrease of 19%. The decrease in revenue for the year was due to increased demand for the Company's AIS products and services, offset by a decrease in security technology products under our Vicon brand.

The Security segment revenues for the quarter ended December 31, 2024, and 2023 were \$5.5 million and \$9.2 million, respectively, a decrease of 41%, due to decreased demand for security technology products under the Vicon brand. Industrial Services segment revenues for the first quarter of 2025 increased by 7% to \$8.3 million, up from \$7.7 million in the first quarter of 2024, primarily due to the increase in demand for its products and services.

Gross Profit for the three months ended December 31, 2024, was \$5.7 million, or 41% of revenues, as compared to gross profit of \$7.1 million, or 42% of revenues, for the three months ended December 31, 2023.

Total operating expenses for the first fiscal quarter of 2025 were \$8.0 million compared to \$7.8 million in the first fiscal quarter of 2024. The increase in total operating expenses was primarily driven by increases in salaries and wages, general and administrative expenses, and research and development expenses related to the Security Segment's development of proprietary technology and next generation solutions associated with security and surveillance systems software.

Operating loss for the first fiscal quarter of 2025 was \$2.3 million as compared to an operating loss of \$0.7 million for the first fiscal quarter of 2024. The operating loss was primarily due to the decrease in revenue and resulting lower gross profit.

Net loss in the first fiscal quarter of 2025 totaled \$28.9 million compared to a net loss of \$1.3 million in the first fiscal quarter of 2025. The increase in net loss was primarily due to recognized losses on excess fair value of warrants of \$25.8 million, which represents the difference between the fair value of the shares issued and the value of the warrants exercised, following a recently completed reverse stock split.

Cash, cash equivalents and restricted cash as of December 31, 2024, was \$5.5 million, compared to \$5.4 million as of September 30, 2024.

Inventories increased to \$11.1 million at December 31, 2024, from \$7.0 million at September 30, 2024.

### **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](http://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](http://www.ais-york.com)

For more information visit [www.cemtrex.com](http://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

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## Cemtrex, Inc. and Subsidiaries Condensed Consolidated Balance Sheets

	(Unaudited) December 31, 2024	September 30, 2024
Assets		
Current assets		
Cash and cash equivalents	\$ 4,224,130	\$ 3,897,511
Restricted cash	1,240,124	1,522,881
Trade receivables, net	9,202,802	11,159,676
Trade receivables, net - related party	524,838	685,788
Inventory, net	11,115,435	6,988,529
Contract assets, net	1,541,239	985,207
Prepaid expenses and other current assets	1,195,128	1,456,687
Total current assets	29,043,696	26,696,279
Property and equipment, net	9,695,289	9,133,578

Right-of-use operating lease assets	1,837,769	1,933,378
Royalties receivable, net - related party	274,756	456,611
Goodwill	3,708,347	3,708,347
Other	2,129,566	2,187,265
<b>Total Assets</b>	<b>\$ 46,689,423</b>	<b>\$ 44,115,458</b>

#### Liabilities & Stockholders' Equity

Current liabilities		
Accounts payable	\$ 3,469,117	\$ 4,520,173
Sales tax payable	9,515	73,024
Revolving line of credit	4,096,898	3,125,011
Current maturities of long-term liabilities	6,745,423	4,732,377
Operating lease liabilities - short-term	845,535	832,823
Deposits from customers	320,130	408,415
Accrued expenses	1,628,618	1,393,902
Accrued payable on inventory in transit	5,149,660	640,450
Contract liabilities	1,279,185	1,254,204
Deferred revenue	1,206,052	1,297,616
Accrued income taxes	163,170	314,827
Total current liabilities	24,913,303	18,592,822
Long-term liabilities		
Long-term debt	11,893,371	13,270,178
Long-term operating lease liabilities	1,049,307	1,159,204
Other long-term liabilities	307,468	274,957
Deferred Revenue - long-term	560,653	658,019
Warrant liabilities	9,454,842	5,199,436
Total long-term liabilities	23,265,641	20,561,794
Total liabilities	48,178,944	39,154,616
Commitments and contingencies	-	-
Stockholders' equity		
Preferred stock , \$0.001 par value, 10,000,000 shares authorized, Series 1, 3,000,000 shares authorized, 2,579,994 shares issued and 2,515,894 shares outstanding as of December 31, 2024 and 2,456,827 shares issued and 2,392,727 shares outstanding as of September 30, 2024 (liquidation value of \$10 per share)	2,580	2,457
Series C, 100,000 shares authorized, 50,000 shares issued and outstanding at December 31, 2024 and September 30, 2024	50	50
Common stock, \$0.001 par value, 70,000,000 shares authorized, 1,784,575 shares issued and outstanding at December 31, 2024 and 14,176 shares issued and outstanding at September 30, 2024	1,785	14
Additional paid-in capital	95,876,237	73,262,536
Accumulated deficit	(100,109,753 )	(71,355,386 )
Treasury stock, 64,100 shares of Series 1 Preferred Stock at December 31, 2024, and September 30, 2024	(148,291 )	(148,291 )
Accumulated other comprehensive income	2,817,858	2,949,297
Total Cemtrex stockholders' equity	(1,559,534 )	4,710,677
Non-controlling interest	70,013	250,165
<b>Total liabilities and stockholders' equity</b>	<b>\$ 46,689,423</b>	<b>\$ 44,115,458</b>

### Cemtrex, Inc. and Subsidiaries Condensed Consolidated Statements of Operations (Unaudited)

	For the three months ended	
	December 31, 2024	December 31, 2023
Revenues	13,739,899	16,878,166
Cost of revenues	8,037,963	9,795,767
Gross profit	5,701,936	7,082,399
Operating expenses		
General and administrative	7,093,289	6,971,966
Research and development	890,083	848,805
Total operating expenses	7,983,372	7,820,771
Operating loss	(2,281,436 )	(738,372 )
Other (expense)/income		
Other income, net	34,973	78,411
Interest expense	(483,913 )	(583,683 )
Loss on exercise of warrant liabilities	(15,796,105 )	-
Changes in fair value of warrant liability	(10,020,212 )	-
Total other expense, net	(26,265,257 )	(505,272 )
Net loss before income taxes	(28,546,693 )	(1,243,644 )
Income tax expense	(120,538 )	(70,751 )
Loss from Continuing operations	(28,667,231 )	(1,314,395 )
(Loss)/income from discontinued operations, net of tax	(267,288 )	10,492
Net loss	(28,934,519 )	(1,303,903 )
Less net loss in noncontrolling interest	(180,152 )	(96,409 )
<b>Net loss attributable to Cemtrex, Inc. stockholders</b>	<b>\$ (28,754,367 )</b>	<b>\$ (1,207,494 )</b>
(Loss)/income per share - Basic & Diluted		
Continuing Operations	\$ (16.15 )	\$ (2,440.85 )
Discontinued Operations	\$ (0.15 )	\$ 21.03
Weighted Average Number of Shares-Basic & Diluted	1,764,341	499

**Cemtrex, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Cash Flows**  
**(Unaudited)**

	For the three months ended December 31,	
	2024	2023
<b>Cash Flows from Operating Activities</b>		
Net loss	\$ (28,934,519 )	\$ (1,303,903 )
Adjustments to reconcile net loss to net cash used by operating activities		
Depreciation and amortization	337,259	368,301
Loss on disposal of property and equipment	18,846	-
Noncash lease expense	254,695	193,281
Bad debt (recovery)/expense	(7,367 )	11,964
Contract modification - related party	280,545	-
Share-based compensation	4,087	7,557
Shares issued to pay for services	-	40,000
Accrued interest on notes payable	262,107	327,132
Non-cash royalty income	(13,797 )	(13,282 )
Amortization of original issue discounts on notes payable	4,167	-
Loan origination costs	5,000	18,133
Loss on exercise of warrant liabilities	15,796,105	-
Changes in fair value of warrant liability	10,020,212	-
Changes in operating assets and liabilities net of effects from acquisition of subsidiaries:		
Trade receivables	1,964,241	(696,824 )

Trade receivables - related party	66,057	(163,349)
Inventory	(4,126,906)	800,602
Contract assets	(556,032)	45,066
Prepaid expenses and other current assets	261,559	636,906
Other assets	157,699	(54,592)
Accounts payable	(1,051,056)	(2,072,392)
Accounts payable - related party	-	221
Sales tax payable	(63,509)	(25,116)
Operating lease liabilities	(256,271)	(193,130)
Deposits from customers	(88,285)	26,179
Accrued expenses	4,743,926	(941,698)
Contract liabilities	24,981	8,406
Deferred revenue	(188,930)	(54,982)
Income taxes payable	(149,142)	(7,823)
Other liabilities	32,511	(95,730)
<b>Net cash used by operating activities</b>	<b>(1,201,817)</b>	<b>(3,139,073)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(924,428)	(290,666)
Proceeds from sale of property and equipment	5,529	-
Royalties on related party revenues	10,000	-
Proceeds from sale of marketable securities	-	356
Investment in MasterpieceVR	(100,000)	(100,000)
<b>Net cash used by investing activities</b>	<b>(1,008,899)</b>	<b>(390,310)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds on revolving line of credit	7,025,841	11,655,935
Payments on revolving line of credit	(6,053,954)	(8,371,144)
Payments on debt	(124,912)	(2,304,903)
Payments on Paycheck Protection Program Loans	(10,123)	(10,120)
Proceeds on bank loans	-	28,331
Proceeds from notes payable	500,000	-
Proceeds from warrant exercises	1,050,597	-
<b>Net cash provided by financing activities</b>	<b>2,387,449</b>	<b>998,099</b>
Effect of currency translation	(132,871)	198,454
Net decrease in cash, cash equivalents, and restricted cash	176,733	(2,531,284)
Cash, cash equivalents, and restricted cash at beginning of period	5,420,392	6,349,562
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 5,464,254</b>	<b>\$ 4,016,732</b>
<b>Balance Sheet Accounts Included in Cash, Cash Equivalents, and Restricted Cash</b>		
Cash and cash equivalents	\$ 4,224,130	\$ 2,835,216
Restricted cash	1,240,124	1,181,516
<b>Total cash, cash equivalents, and restricted cash</b>	<b>\$ 5,464,254</b>	<b>\$ 4,016,732</b>

**Cemtrex, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Cash Flows (Continued)**  
**(Unaudited)**

**Supplemental Disclosure of Cash Flow Information:**

Cash paid during the period for interest	\$ 217,639	\$ 238,418
Cash paid during the period for income taxes, net of refunds	\$ 269,680	\$ 176,378

**Supplemental Schedule of Non-Cash Investing and Financing Activities**

Shares issued to pay for services	\$ -	\$ 40,000
Financing of fixed asset purchase	\$ -	\$ 28,331
Series A Warrant Exercises	\$ 21,515,777	\$ -
Noncash recognition of new leases	\$ 159,086	\$ -



Source: Centrex Inc.