

February 20, 2019



Cemtrex, Inc. (CETX) Announces Results for First Quarter ended Dec 31, 2018

Long Island City, NY, Feb. 20, 2019 (GLOBE NEWSWIRE) -- - [Cemtrex Inc.](#) (Nasdaq: CETX, CETXP, CETXW), a leading global technology company, today announced its first quarter consolidated results of operations for the three months ended December 31, 2018.

First Quarter Results:

- Total revenue for the three months ended December 31, 2018 and 2017 was \$17,284,544 and \$32,381,900, respectively. Total revenue in the first quarter decreased, as compared to total revenue in the same period last year, as the Company transitions from its low margin contract manufacturing businesses into its high margin IoT smart hardware and software businesses and due to lower sales in the Industrial Technology segment as a result of the softening demand for environmental products globally.
- The Company generated revenues of \$467,835 from its newly formed Advanced Technologies division. The Gross profit on these revenues was \$275,470, or 58%. Of the segment revenues, the Company generated approximately \$100,000 in [SmartDesk](#) sales during the period, marking the first shipments of the new product.
- EBITDA for the three months ended December 31, 2018 and 2017 was a loss of \$357,560 compared to a gain of \$2,078,007, respectively.
- Net income for the three months ended December 31, 2018 and 2017 was a loss of \$2,176,298 and income of \$731,991, respectively. Net income decreased due to lower total revenues and increased sales and marketing expenses related to the business development of SmartDesk and VR applications in the Advanced Technologies segment as well as due to the loss based on equity ownership in Vicon Industries, Inc.

The Company expects sales of its new product, the SmartDesk, to increase in subsequent quarters as the company fulfills existing orders and receives new ones. The Company continues to focus on securing more enterprise customer orders in 2019 to reach its strategic goal of making SmartDesk a vital part of the modern workspace globally.

Cemtrex's Chairman and CEO, Saagar Govil, commented on the results, "While total revenues were lower in the period, we continue to make important progress on our transition to higher margin business. During this quarter we shipped our first SmartDesks to customers, only 18 months after beginning development of the product, which is a tremendous milestone for the company. Interest from major customers in our SmartDesk continues to grow, and we are successfully reducing our dependency on low margin legacy businesses. We have made several investments in 2018 in new high growth areas from our SmartDesk, to security technology with Vicon Industries, and Virtual and Augmented Reality

software, that we believe will start to generate returns in 2019 and beyond. Additionally, in the more near term we are very confident, as the sales of Smartdesk increase in the current year, the Company will return to profitability.”

To learn more and stay updated about SmartDesk, please visit www.smartestdesk.com.

About Cemtrex

Cemtrex, Inc. (CETX) is the manufacturer of the SmartDesk, the world’s most advanced workstation. Cemtrex is a diversified technology company that's 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

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.

Use of Non-GAAP Metrics: EBITDA

The Company believes that EBITDA is a useful financial metric to assess its operating performance before the impact of investing and financing transactions and income taxes. The Company believes that EBITDA will provide investors with a useful tool for assessing the comparability between periods because it eliminates depreciation and amortization expense attributable to capital expenditures. EBITDA in this release was calculated using Operating Income + Depreciation + Interest Expense.

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Source: Cemtrex Inc.