

CEMTREX

Technology that matters.



NASDAQ Listed | **CETX**

Investor Presentation
September 2022

Safe Harbor Statement



This presentation may contain forward looking statements that involve numerous risks and uncertainties. Actual results could differ materially from those projected in the forward-looking statements as a result of a number of risks and uncertainties. These forward-looking statements are not a guarantee of future performance. This release may contain Non-GAAP financial information and are not calculated or presented in accordance with US GAAP. The Company believes that the presentation of non-GAAP financial measures provides useful information to management and investors regarding underlying trends in its consolidated financial condition and results of operations. The Company's management regularly uses these supplemental non-GAAP financial measures internally to understand, manage and evaluate the Company's business and make operating decisions. These risks and uncertainties are discussed in our filings with the Securities and Exchange Commission, including our annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. Statements made herein are as of the date of this presentation and should not be relied upon as of any subsequent date. Except as may be required by applicable securities laws, we do not undertake any obligation to revise or update any forward-looking statements contained in this presentation.

Corporate Overview



Cemtrex is a diversified holding company with operating brands in IoT, security, industrial, and AR & VR markets.

- Recent shift in strategy means we are planning to focus more on our core businesses – Vicon & AIS, and explore strategic options for the rest of the portfolio
- Targeting acquisitions in high growth markets with strong ROE and attractive gross margins
- Primary industries: Consumer, Business, Entertainment, Government & Industrial
- Strong long-term sector growth due to Industrial, Medical, IoT & Manufacturing

Cemtrex, Inc.

NASDAQ: CETX

Share Price ¹	\$0.34
Market Cap ¹	\$9.0M
TTM Revenue ²	\$51.7M
FY 2021 Revenue ³	\$43.1M
Cash & Cash Equivalents ²	\$11.4M
Shares Outstanding ²	26.4M
Float ²	23.4M
Headquarters	Brooklyn, NY

1. As of August 16, 2022
2. As of June 30, 2022
3. As of September 30, 2021

Our Brands



CEMTREX

- Management
- HR
- Accounting
- IT
- Software Development
- Marketing

	Industrial	Web & Mobile Development	Security	IoT	XR	
	Industrial Contracting Firm	Software Development Agency	End to End Video Security Tech	Intelligent Workstation Solutions	VR Training Solutions	VR Gaming Studio
Revenue (TTM - Unaudited)	\$22.1M	\$1.5M	\$23M	\$.5M	\$1.8M	\$1M



Creating the best video surveillance solutions for commercial, industrial, and government applications.

- End to End Solutions Provider, with over 50+ years in the industry with strong established legacy customer base
- Vicon's Valerus video management software (VMS) platform provides recurring revenue at high margins
- Over 30,000+ cameras sold annually

Customers include:

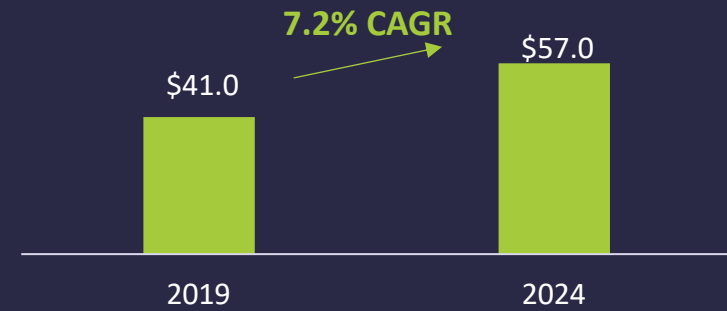
- Corrections
- Hospitals
- Airports
- Courthouses
- Gov't Buildings – Fed, State, Local
- Border Protection
- Manufacturing
- High-Rise Residential & Commercial

Industry Dynamics

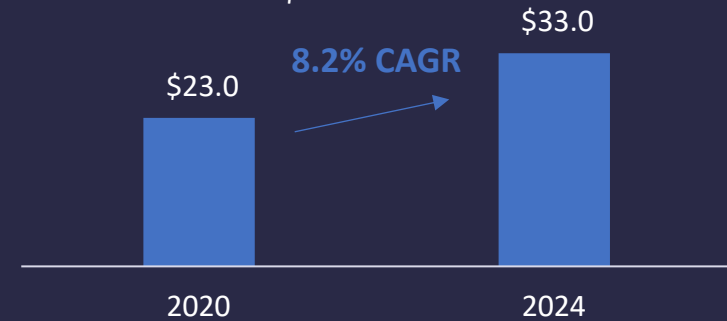
- Shift from perpetual on premise to recurring subscription based, cloud based, scalable deployments
- Advanced AI driven shift for automated security solutions
- High repeat business, attractive gross margins



Physical Security Equipment Global Market¹
\$ in billions



Video Surveillance Global Market¹
\$ in billions



Video Surveillance is largest physical security equipment category

Source: Omdia

The Vicon Difference



Delivering innovation and value for over 50 years.



A Single-Source Supplier

Simplify purchasing and support.



Open Platform

Works with other open security platforms, cameras and other hardware.



Centralized Platform

Monitor and track your entire security operation from a single interface.



Lower Total Cost of Ownership

No surprise fees, additional support charges, and no recurring costs.



World Class Support

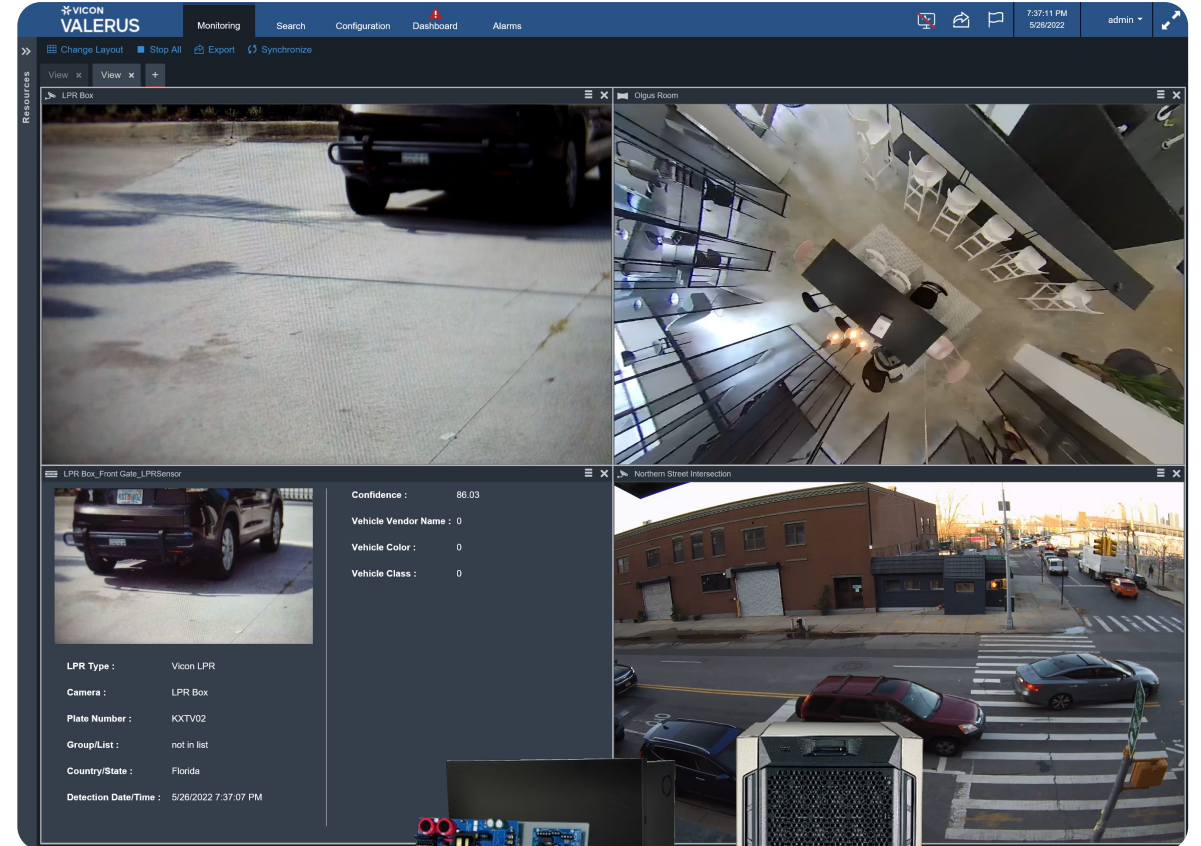
Our engineers are dedicated to resolving even your toughest challenges.

VICON VALERUS



Our centralized security management system

- Video Management
- Intelligent Cameras
- Access Control
- License Plate Recognition
- Storage Options



Vicon Operations & Outlook



Timeline

Q2 2018	Cemtrex takes over Operational Control of Vicon and begins restructuring activities
Q4 2020	First Profitable Fiscal Year in over 10 years
Q1 2021	Vicon experiences full effects of COVID and Shutdown – many customers are closed
Q3 2021	Sales continue to rebound from COVID and management expects sales to return to pre-covid levels in FY 22

Product Focus

- AI Based Analytics solutions – Launching in FY 22
- Cloud based Video Surveillance as a Service offering – Launching in FY 23
- Both products have opportunities for recurring revenue and attractive margins
- Software Development done in low-cost countries for competitive advantage
- VSaaS Recurring Revenue
 - Phase 1: Cloud Storage – Sep ‘22
 - Phase 2: Analytic solutions – Jan ‘23
 - Phase 3: Cloud VMS – Oct ‘23

Outlook

- No budget cuts despite decrease in revenue as management views this as a short-term impact due to COVID
- Overall outlook on revenue remains optimistic for a return to growth over FY20 revenue numbers
- Increased engineering and product teams substantially with 7 key hires from competitors over last year to build industry leading products
- Expect short term operating expenses to be higher as the products under development are starting to be rolled out
- Expect ROI to start yielding results 2-3 years out and beyond

Revenues

(Unaudited – Internal)

					FY 2022
\$ in Millions	FY 2018	FY 2019	FY 2020	FY 2021	(Est)
Net sales	27.7	24.2	24.1	20.7	24
GM%	40%	43%	50%	39%	40%

Single source industrial contractor

- 35+ years in industry
- Premier provider of industrial contracting services including millwrighting, rigging, piping, electrical, welding
- Installs high precision equipment in a wide variety of industrial markets including automotive, printing & graphics, industrial automation, packaging, and chemicals
- Expertise and capabilities in plant and equipment erection, relocation, and disassembly
- High repeat business and well-known reputation

Industry Dynamics & Outlook



- The global Industrial Services market size was valued at \$29.5B in 2020 and is projected to reach \$45.3B in 2028, growing at a CAGR of 5.53%¹
- Growth driven by an increase in demand for predictive maintenance services and the rise in the complexity of equipment
- The automotive industry is projected to hold the largest market share of industrial services market in the near term
- Global Industrial control and factory automation market size is projected to reach \$197.8B by 2026 from \$133.1 B in 2021, at a CAGR of 8.2%²

AIS Outlook

- Strong balance sheet allows ability to offer more comprehensive services due to inventory of equipment
- Experienced Management

Revenues

\$ in Millions	FY18	FY 19	FY 20	FY21	FY 22 (Est)
Net sales	20.9	20	17.8	19	20.5

Financial Results



Three Months

Ending June 30

Nine Months

Ending June 30

\$ in millions

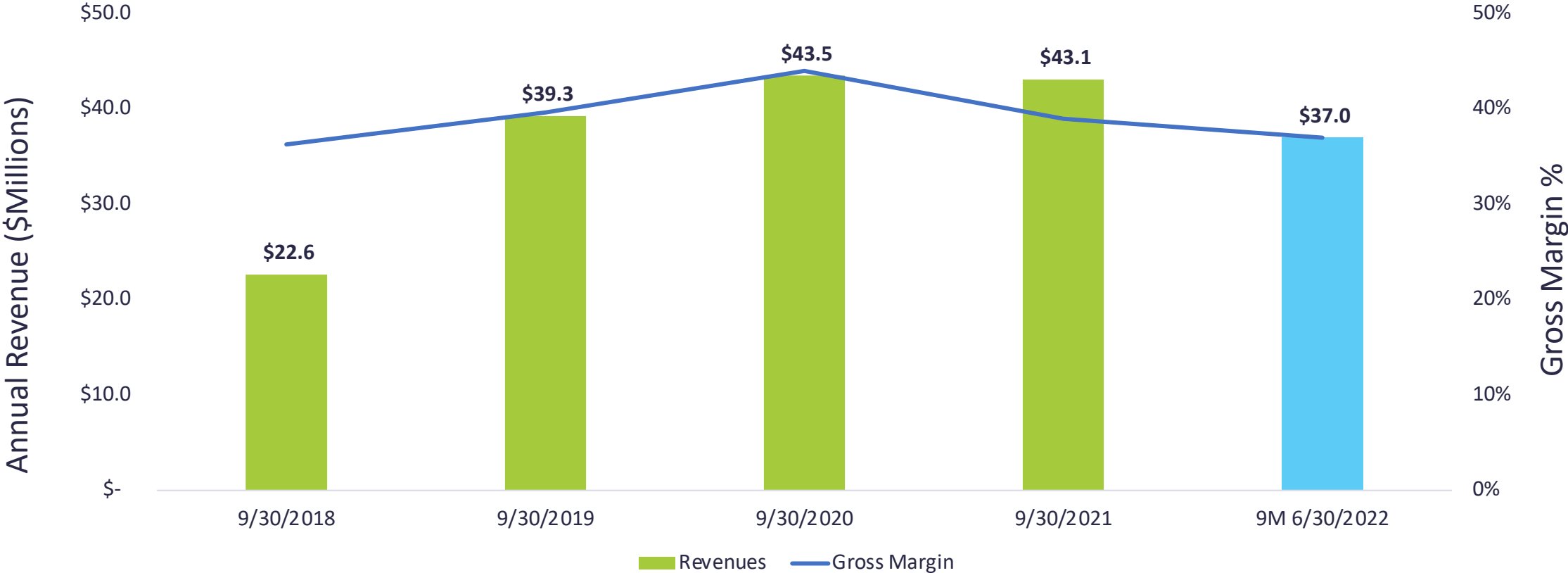
	2022		2021	
Total Revenue	\$	13.6	\$	10.3
Gross Profit	\$	5.9	\$	4.1
Gross margin (%)		43%		40%
Net Income (loss)	\$	(0.7)	\$	1.1

1) Use of Non-GAAP Measures: Earnings before interest, taxes, and depreciation and amortization (EBITDA) and Adjusted EBITDA are non-GAAP measures. In defining Non-GAAP EBITDA, the Company excludes the impact of non-cash stock-based compensation and other non-recurring items, such as R&D expenses and equity interest loss. EBITDA has limitations as an analytical tool and should not be evaluated in isolation or as a substitute for analysis of results as reported under U.S. GAAP. Management utilizes this metric as a basis for evaluating our ongoing operations, and believes investors' understanding of our performance is enhanced by including this non-GAAP financial measure as a reasonable basis for evaluating our ongoing results of operations, without the effects of interest, taxes, depreciation, and amortization and other non-recurring expenses.

Financial Performance



Core business gives us a strong foundation to continue growing in high tech areas

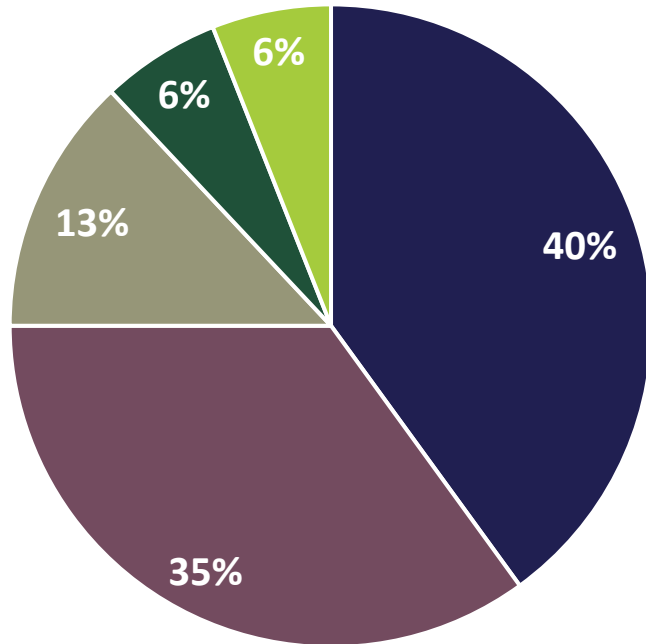


Financial Model

Vicon Model At Scale



Product Revenue Mix Today



■ Servers ■ Cameras ■ SW ■ Accessories ■ VAX

Vicon Revenue Model

	Year 1	Year 2	Year 3	Year 4	Year 5
Recurring Revenue	\$ 2,000,000	\$ 4,000,000	\$ 6,000,000	\$ 8,000,000	\$ 10,000,000
Total Revenue	\$ 26,500,000	\$ 32,000,000	\$ 40,500,000	\$ 48,000,000	\$ 60,000,000
Gross Profit	\$ 9,275,000	\$ 14,080,000	\$ 18,630,000	\$ 22,560,000	\$ 28,800,000
Gross Margin	35%	44%	46%	47%	48%
Operating Income	\$ (3,925,000)	\$ 280,000	\$ 4,230,000	\$ 6,360,000	\$ 10,800,000
Operating Margin	-15%	1%	10%	13%	18%

Shift to AI Based Analytics solutions & Cloud based VSaaS to drive recurring revenue growth

Cemtrex Management



Saagar Govil – Chairman & Chief Executive Officer

Saagar Govil has been with Cemtrex since 2008 and has been the Company's CEO and President since December 2011. He was recently named #17 on Business Insider's "Top 100 of Silicon Alley" and "Top 40 Under 40" by Stony Brook University. Prior to becoming the CEO, he was Vice President of Operations, responsible for sales, marketing, production, and engineering. He began his career as an applications engineer providing customer support on-site and designing turn-key engineered systems for various customers and projects. Saagar Govil has a B.E. in Materials Engineering from Stony Brook University, N.Y.

Paul Wyckoff – Interim Chief Financial Officer

VICON Management

Bob Germain – Hikvision, Director of Camera Products

Ron Sharma – Exacq Technologies, HP, VP, Systems Engineering

Bret McGowan – SVP, US Sales, 30+ years industry experience

Mark Provinsal – SVP, Intl Sales, 25+ years industry experience

Pete Horn – SVP, Operations, 35+ years industry experience

Jonathan Rudolph – VP, Corporate Marketing

Diego Morales – Joining Q3 – VMware, HP, VP, Software Engineering

Board of Directors

Metodi Filipov - Director

- Entrepreneur and technology executive with 25+ years of experience creating, operating and driving growth for technology companies
- Formerly VP of Operations at Cemtrex from 2008 to 2010
- After Cemtrex served as Managing Director of Bianor, a mobile consulting company providing solutions for enterprise clients



Chris Wagner - Director

- Managing Partner OTT Advisors and technology expert with more than a decade of experience in the video internet streaming industry, co-founding internet start-up NeuLion prior to its sale to Endeavor



Manpreet Singh - Director

- Founder & CIO of Singh Capital Partners and was previously co-Founder of local services marketplace, TalkLocal



Brian Kwon - Director

- President & Chief Procurement Officer of H Mart
- Extensive operations experience in purchasing, distribution, logistics, IT, HR, and e-commerce from his time at H-Mart



Key Takeaways



- Significant progress in strategic shift toward refocusing efforts on core businesses Vicon Industries and AIS going forward, and exploring strategic options for the rest of the portfolio
- Generating cash flow and margin improvement through increasing prices and reducing overhead where possible
- Vicon shift to AI Based Analytics solutions & Cloud based VSaaS to drive recurring revenue growth in high gross margin businesses
- Core business provides a strong foundation to continue organic growth in high tech areas
- M&A strategy targeting acquisitions in high growth markets with strong ROE and attractive gross margins
- Large, addressable and mature markets in Security, Consumer, Business, Entertainment, Government & Industrial

Contact

Company

Saagar Govil
Chairman & CEO

Investor Relations

Chris Tyson
Executive Vice President
MZ North America
Direct: 949-491-8235
investors@cemtrex.com
www.mzgroup.us

CEMTREX
Technology that matters.

cemtrex.com

276 Greenpoint Ave., BLDG 8, 2nd FL, Brooklyn, NY 11222 USA

