



Dynasil Corporation of America Reports Third Quarter Fiscal 2018 Revenue Increase of 19%

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NEWTON, Mass., Aug. 14, 2018 /PRNewswire/ -- Dynasil Corporation of America (NASDAQ: DYSL), a developer and manufacturer of optics and photonics products, optical detection and analysis technology and components for the homeland security, medical and industrial markets, today announced consolidated revenue of \$10.5 million in the third quarter of fiscal year 2018, a 19% increase over the same period in fiscal year 2017.

"I am happy to report our Optics segment revenue showed a 27% increase for the quarter as compared to the same period last year – the third consecutive quarter of double-digit growth in Optics' revenue," said CEO Peter Sulick. "Our Research segment revenue increased 10% this quarter as compared to the same quarter last year, largely due to an increase in commercial revenue.

"Additionally, gross profit for the three months was 40% of revenues, as compared to 38% of revenues for the three months ended June 30, 2017. Our Optics segment gross margin increased to 37% of revenues in the quarter ended June 30, 2018, as compared to 34% of revenues for the same period in 2017, as a direct result of the increase in revenue and specific steps taken to improve gross margin. Gross profit in the Contract Research segment remained steady at 43% in the quarter ended June 30, 2018, compared to the same quarter in 2017."

For the nine months ended June 30, 2018, overall gross profit was \$11.7 million, or 39% of sales, compared to \$10.7 million, or 38% of sales for the nine months ended June 30, 2017. Gross profit for the Optics segment increased approximately \$0.9 million to \$6.0 million for the nine months ended June 30, 2018, compared to the gross profit for the same period in fiscal year 2017.

"The significantly improved performance of our operating companies is a further confirmation of our continuing strategy of growing the commercial side of our company and our product revenue within RMD, while maintaining our Contract Research revenue at a steady level with a \$30.0 million backlog," continued Mr. Sulick. "We adopted this strategy four years ago. We anticipate a number of products coming to market for RMD over the next few years. While we do not anticipate any one of these products being extremely significant for RMD, the cumulative effect should be noticeably positive for RMD's commercial revenue in the coming two to three years. This is exciting for us, as it is confirmation that our contract research business can supply product development opportunities for our operating divisions, as well as for RMD."

Certain key metrics by segment for the current quarter and the same quarter last year are presented below: