

Zacks Small-Cap Research

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FatPipe Inc.

(NASDAQ: FATN)

FATN: Initiation Report FatPipe's Greatly Increased Salesforce Should Accelerate Growth in FY 2027

We believe FatPipe's valuation should be compared to peer companies that trade at an average of 7.0 times EV/2026 calendar sales. Given its lower margins, we think a 3.5 times multiple would be appropriate, yielding \$5.00.

Current Price (2/13/26) \$1.86
Valuation \$5.00

OUTLOOK

FatPipe offers patented advanced data communication software that securely connects offices and clouds into one cohesive network. It aggregates multiple data lines from multiple data carriers, using any last-mile connection including 5G and satellite, into a single, seamless corporate network accessible anywhere in the world. It offers this software as a SaaS and also sells the hardware needed to use the software. The company had its IPO in April 2025 and has used to proceeds to increase its direct sales force to spur sales growth.

SUMMARY DATA

52-Week High \$13.00
52-Week Low \$1.73
One-Year Return (%) N/A
Beta 2.6
Average Daily Volume (sh) 3,825,404

Shares Outstanding (mil) 13.9
Market Capitalization (\$mil) \$25.9
Short Interest Ratio (days) 0.8
Institutional Ownership (%) 8.8
Insider Ownership (%) 46.2

Annual Cash Dividend \$0.00
Dividend Yield (%) 0.00

5-Yr. Historical Growth Rates

Sales (%) N/A
Earnings Per Share (%) N/A
Dividend (%) N/A

P/E using TTM EPS 83.4
P/E using FY2026 Estimate 14.3
P/E using FY2027 Estimate 8.6

Risk Level High
Type of Stock Small Value
Industry Networking

ZACKS ESTIMATES

Revenue

(in millions of \$)

	Q1 (Jun)	Q2 (Sep)	Q3 (Dec)	Q4 (Mar)	Year (Mar)
2024	N/A	N/A	N/A	N/A	17.9 A
2025	3.8 A	5.5 A	3.1 A	3.8 A	16.3 A
2026	3.9 A	4.0 A	4.1 A	5.6 E	17.6 E
2027					20.2 E

GAAP EPS

	Q1 (Jun)	Q2 (Sep)	Q3 (Dec)	Q4 (Mar)	Year (Mar)
2024	N/A	N/A	N/A	N/A	0.35 A
2025	-0.05 A	0.13 A	0.01 A	-0.03 A	0.15 A
2026	0.05 A	-0.00 A	0.02 A	0.06 E	0.13 E
2027					0.21 E

KEY POINTS

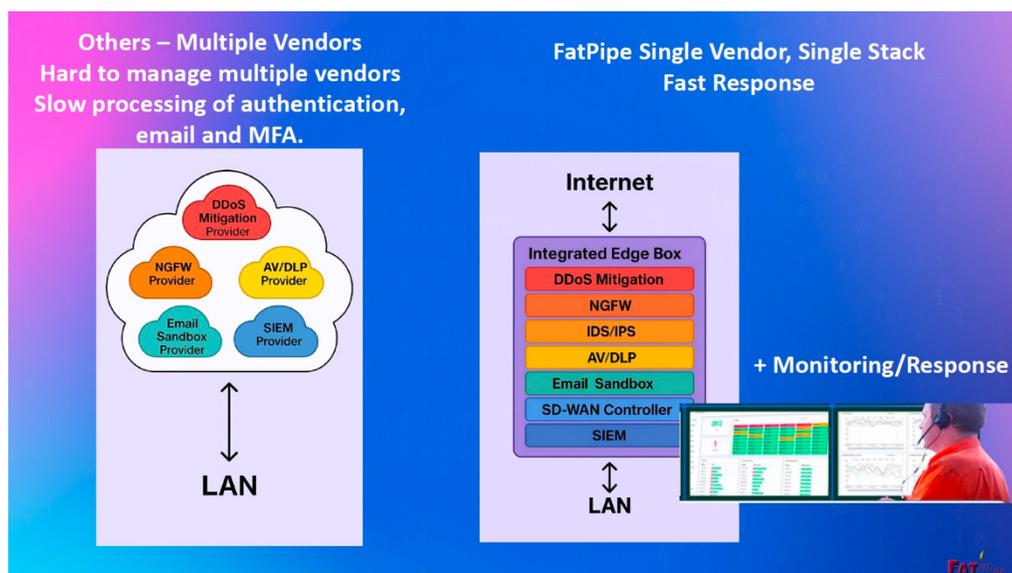
- FatPipe is an SD-WAN (Software-Defined Wide Area Network) provider that sells a service to manage the networks of small and medium-sized enterprises. Its patented solution is a software platform, often sold with an appliance, with additional application modules for cybersecurity, SIEM (Security Information and Event Management), and email security. In contrast to its competitors, it provides customers with one vendor to call for all network problems, and it can provide a hybrid solution that combines on-premise assets and cloud services, resulting in significantly lower costs for the customer.
- For the next year and beyond, management is focused on revenue growth and has taken the IPO proceeds to add to the sales effort. Since last year, it has more than tripled its salesforce from eight to 24 people as of the end of December, and as these salespeople become more productive, revenues should accelerate. The company plans to add another 12 salespeople in large cities where it does not have a presence. Management is also adding other channel partners, both traditional Value Added Resellers (VARs) and Internet Service Providers (ISPs).
- The company launched its new all-in-one platform, "Total Security 360," on October 6th and is now selling it as an upgrade to its current customers. It is an advanced single-stack security solution that can be deployed in both the cloud and on-premises. This upgrade can cost as much as three times as much as its base SD-WAN platform and provides the potential for significant revenue increases from current customers as well as new customers. Total Security 360 only became available after the September quarter ended.
- FatPipe's software is written in-house, and all of its parts are fully integrated, in contrast to its major competitors, Fortinet and Cisco, which have bought companies and offer somewhat unintegrated solutions. FatPipe wrote and owns foundational patents for SD-WANs and can offer a platform differentiated from the competition. As primarily hardware providers, Fortinet, Cisco, and other competitors expect customers to primarily manage their own networks and target large companies with large IT staffs. FatPipe offers first-party management for its customer solutions.
- The company has been booking revenues upfront like traditional software companies, leading to lumpy quarters when big purchase orders come in. After the fiscal year ends, it may choose to move to more SaaS-like revenue recognition, booking revenues ratably throughout the contract, which would lead to more predictable and smoother revenues. The reason revenues were down year over year for FYQ2 is that the year before, an exceptionally large order was booked by their largest reseller.
- The company IPOed on April 7, 2025, at \$5.75, and hit an all-time high of \$23.27 that day. Since then, the stock has fallen significantly as long-time shareholders sold off stock and the company reported down revenues in its first six months as a public company due to a comparison with the exceptionally strong first half of the year before. The stock hit a low just before the company reported its December quarter results. After reporting a 30% revenue growth in the quarter, the stock has begun to recover.
- Its enterprise value is now only \$24 million. It has an estimated 2026 calendar revenue of \$20 million, making its EV/Sales ratio 1.2 times, versus comparable companies that average 7.0 times. We believe that as the company shows revenue growth and returns to its historical high margins, its multiple will expand. Using just half the peer multiple, that would make FatPipe stock worth \$5.00 per share.

OVERVIEW

FatPipe Inc. was founded in 2010 and is headquartered in Salt Lake City, Utah, with a branch in Chennai, India. Its products are used by more than 2,500 customers across various industries, including government, financial services, healthcare, and manufacturing. As of February 4, 2025, the company had 154 full-time employees, comprised of 57 in the US, 92 in India, and 5 in the Philippines. The company went public on April 9, 2025, selling 791,024 shares of common stock at \$5.75 per share and raising net proceeds of approximately \$3.7 million. It is using the cash to increase its salesforce to spur growth. The salesforce was increased from eight in Q2FY2025 to 24 today. In its experience, sales team members break even in three to six months. In addition to direct sales, the company uses a network of over 100 reseller partners. The nation's largest ISP is its largest reseller and contributes almost half of its sales.

FatPipe's main service is managing networks for small to medium organizations using its SD-WAN (Software Defined- Wide Area Network) platform. It has a vast quantity of intellectual property due to the research of its founders, who came from academia. It owns the basic patents for network rollover when there is a failure, and it has defended its patents in court against Cisco and Oracle, both of whom subsequently settled. While FatPipe typically sells its solution as software loaded on a generic appliance, what the customer pays for is the highly differentiated integrated software platform and the support FatPipe provides. FatPipe offers advanced data communication software that securely connects offices and clouds into one cohesive network. It aggregates multiple data lines from multiple data carriers, using any last-mile connection, including 5G and satellite, into a single, seamless corporate network accessible anywhere in the world. Versus most competitors, FatPipe provides one vendor to manage the entire network with a simple, predictable payment schedule. As the company likes to say, "for the price of a latte, we provide network security, cybersecurity, and email spam and attachment sandboxing, per employee, for a whole month."

FatPipe's biggest reseller sells FatPipe's SD-WAN as part of its service offering, which is an upsell from just providing internet access or telecom services. Using FatPipe, a customer can separate its networking traffic into two categories: one stream that needs to access the entity's data center for content that is on its servers, and one stream that is looking for content on the internet. For example, a school district will have users looking for information that is stored on its servers (grades, courseware, attendance) and other users that just want to access the internet (social media, research, news) or sources external to the schools. Using FatPipe, the external users go straight to the internet and not via the data center. This is a huge money-saver, as the needed bandwidth will be lower, and the latency will be decreased. No other vendor can do this.



Source: FatPipe

A single FatPipe solution replaces multiple products, offering simpler installation and decreased maintenance costs as well as a single point of contact per company for all networking needs. In one FatPipe SD-WAN product, all the technology needed (i.e., multiple data lines, data carriers, and/or telecommunications companies) is packaged together to connect corporate networks into a seamless, extremely reliable, and highly redundant ecosystem. If any line fails, patented technology prevents the loss of voice and/or data connections by seamlessly failing over the data to the next available line in less than a second. Its firewall and full suite of security features provide network protection from cyber-attacks and optimize productivity via tools such as web filters, geo-blocking, and intrusion prevention/detection to halt unauthorized access to non-productive or malicious sites.

FatPipe’s newest offering is Total Security 360, which incorporates cybersecurity, SIEM, and email security into a single product. Customers have previously had to buy these applications as separate modules, either from FatPipe or other vendors, making management more complicated. Total Security 360 places all of its features accessible through a single platform, producing a holistic outlook on what is going on, and one phone call to make when there is a problem.

FatPipe Total Security 360 Summary of Features

Network Security	Cybersecurity	SIEM	Email Security
DDoS Attack Prevention	Protocol Monitoring	Applications Monitoring	Multiple Detection Modules
NexGen Firewall	Firewall IDS/IPS	PCI Alerts	Identifies Hidden Email Threats
Geo-Fencing	Deep Packet Inspection	HIPAA Compliance	Graylisting and Whitelisting
Transport Layer Security	OT / Vulnerability Correlation	Top Hosts / Top Users and DLP	Machine Learning / Neural Model
Device Authentication	Malicious URL / Video Filtering	GDPR Compliance	Real-Time Visibility for SOC
SSL and VPN	Botnet / Commands	Internet Access Control	DNS / IP/ URL Reputation
Proactive Network Monitoring	VPN Man in the Middle	NIST Compliance	Sandboxing Analysis
Web Filtering	Anti-Spam Sandbox	Remote Login and Device Login	VIP/Phishing/Malware Detection
Multi-Path Security	DNS-Based Threats	Proactive Network Monitoring	DLP Scan for Outgoing Mail
Remote Login Users and Stats	Virtual Patching	User Behavior at Desktop Level	Content Header Analysis
Encryption Internet Line	Data Loss Prevention	TSC Compliance	Business Email Compromise



Source: FatPipe

INDUSTRY OUTLOOK

Software-Defined Wide Area Network (SD-WAN) According to Marketsandmarkets, the market for SD-WAN products is estimated to be approximately \$7.9 billion in 2025 and expected to grow to over \$21 billion by 2030, a CAGR of 22.3%. Data Bridge Market Research believes that North America dominated the SD-WAN market with the largest revenue share of 38.1% in 2024.

Secure Access Service Edge (SASE). According to Consegic Business Intelligence, the SASE market size was \$5.1 billion in 2025 and is expected to grow to \$24.6 billion by 2032, resulting in a CAGR of 25.1%.

Network Management Systems (NMS). According to ReAnIn, the NMS market was \$11 billion in 2024 and projected to grow to \$21 billion in 2031, resulting in a CAGR of 9.6%. They believe growth is due to businesses streamlining their IT operations and focusing on automated control and real-time performance monitoring to manage growing network complexities efficiently.

COMPETITION

FatPipe competes against many companies, with a few large ones being particularly dominant. They are primarily hardware shops, with software often added as an afterthought, typically through the acquisition of another company rather than being developed in-house. The two main companies FatPipe typically bids against are Fortinet and Cisco. Fortinet customers are more cybersecurity focused while those choosing Cisco typically have complicated networks, extensive in-house capabilities, and are already a Cisco shop.

Fortinet (NASDAQ: FTNT) is a \$66 billion company founded in 2000 and headquartered in Sunnyvale, CA, specializing in cybersecurity, and is the market leader in SD-WAN with 25% of the market according to Gartner. Its SD-WAN solution is the “Fortinet Unified Secure Access Service Edge” that includes proprietary hardware, firewall, secure web gateway, cloud access services broker, data loss prevention, and zero trust network access; and web application firewalls, cloud network security with virtualized firewalls, cloud-native firewalls, cloud-native application protection, and code security.

Cisco Systems (NASDAQ: CSCO) is a \$304 billion company founded in 1984 and based in San Jose. It has a 15% market share in the SD-WAN market. Cisco’s Catalyst SD-WAN came from its 2017 acquisition of Viptela. It is premium-priced, less integrated, and is most suited to large enterprises with large in-house support that have complex, global networks needing deep routing control, multi-cloud sophistication, and are already part of the Cisco ecosystem. With its SD-WAN, Cisco sells its own hardware.

Hewlett Packard Enterprise (NYSE: HPE) is a \$30 billion company founded in 1939 and based in Spring, Texas. It now provides two SD-WAN solutions, one through its acquisition of Silver Peak in 2020, which became the foundation for “HPE Aruba Networking EdgeConnect SD-WAN”, and the other from its July acquisition of Juniper Networks, “Juniper AI-native SD-WAN.” Now, HPE maintains two distinct SD-WAN offerings, and integration is ongoing, with no immediate plans to discontinue either.

Arista Networks (NASDAQ: ANET) is a \$178 billion company founded in 2004 and headquartered in Santa Clara, California. In July 2025, it bought Broadcom’s VeloCloud SD-WAN portfolio, now known as “Arista VeloCloud SD-WAN.” It combines VeloCloud’s WAN expertise with Arista’s data center, campus, and cloud networking strengths as a unified solution for modern enterprises, especially for AI workloads, distributed applications, and multi-cloud environments.

Palo Alto Networks (NASDAQ: PANW) is a \$135 billion company founded in 2005 and headquartered in Santa Clara, California. It sells the “Prisma SD-WAN,” which was acquired through the purchase of CloudGenix in 2020. It is a core component of the Prisma SASE platform, delivering AI-powered, application-driven connectivity for branches, data centers, multi-cloud environments, and remote users. Unlike traditional SD-WAN, it emphasizes autonomous operations, deep integration with Palo Alto’s security stack (e.g., Prisma Access for SASE), and a cloud-delivered branch model that simplifies WAN transformation while enforcing Zero Trust principles. Prisma SD-WAN uses Instant-On Network (ION) appliances (hardware like ION 3000/7000/9000 series or virtual) to create an application fabric (AppFabric) that virtualizes heterogeneous transports (broadband, MPLS, 5G/LTE) into a unified hybrid WAN.

Versa Networks is a privately held venture-backed company founded in 2012 and based in Santa Clara, California, with \$316 million in funding. At its last funding round in 2024, it was valued at \$1.5 billion post-money. It specializes in Secure Access Service Edge (SASE), delivering AI/ML-powered converged networking and security solutions. Its platform uniquely combines full-featured Secure SD-WAN, Security Service Edge (SSE), advanced analytics, and genuine multitenancy in a single-vendor architecture, available via cloud, on-premises, or hybrid deployments.

MANAGEMENT

D. Ragula Bhaskar

Co-Founder and CEO

Dr. Ragula Bhaskar's expertise spans an impressive repertoire of technology research and visionary leadership. He has to his credit 32 publications in Engineering at the University of Utah during his tenure as an associate professor. Dr. Bhaskar was an illustrious member of both the Utah Hogle Zoo Board and the Industrial Advisory Board, College of Engineering, University of Utah. He served as the Chairman of the Board, Governor's Office of Economic Development, and Chairman of Living Planet Aquarium. Dr. Bhaskar is a member of both Mensa and Sigma Xi, the Scientific Research Honor Society, and is the visionary behind 14 FatPipe patents. Dr. Bhaskar completed his dual M.S. in Engineering and Operations Research, as well as his M.S. in Finance and his PhD in Engineering, all within six years, at Penn State University.

Sanchaita Datta

Co-Founder, President, and CTO

Known to all as "Sanch," Sanchaita Datta has 30+ years of experience in computer networking and is the driving force behind the core technology of FatPipe Inc. Through her association with the Utah System of Higher Education Board, Utah Board of Regents, Utah Valley University, and Salt Lake Community College, Datta contributed immensely in shaping Utah's higher education system. She is a commissioner of the America250 Commission, Utah. Datta holds an M.S. in Electrical Engineering from Penn State University. Datta sparked the passion in many young women to consider careers in science and technology through her association with Women Tech Council, Utah. Sanch is the wife of Dr. Bhaskar.

Eric Sherb

CFO

Eric has been CFO since April 2025 and has over 15 years of experience in accounting advisory, auditing, and Mergers & Acquisitions. He was associated with PricewaterhouseCoopers and mid-size audit and consulting firms. Sherb has contributed to bookkeeping, consolidation, financial statement preparation and analysis, management and investor reporting, financial modeling, and audit and IPO readiness for various entities. His financial expertise extends to system implementation, compensation structures, and accounting value creation. Sherb has provided technical advisory on debt/equity financings, business combinations, revenue recognition, and lease arrangements. Eric holds a BBA in Accounting & Finance from Emory University.

BOARD OF DIRECTORS

Ragula Bhaskar
Chairman

Sanchaita Datta

Ajay Tandon

Mr. Tandon has over 35 years of experience in executive and non-executive roles and has served on the boards of 25 companies. He has served in a number of senior management capacities, including over eleven years with Tata Autocomp from 2006-2018, six years at General Motors from 2000-2006, and over 16 years with Godrej & Boyce Pvt. He earned a Bachelor of Technology (B. Tech.) in Mechanical Engineering from the Indian Institute of Technology (IIT) Madras, as well as a Post Graduate Diploma in Management (PGDM) from the Indian Institute of Management (IIM) Ahmedabad.

Jean Turgeon

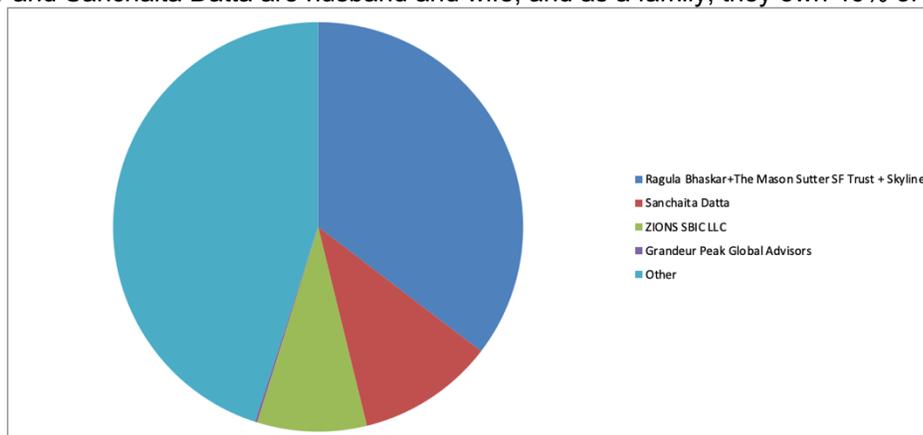
Jean Turgeon is currently the Vice President and Chief Technologist, SDx, Evangelist, and Dx Transformation, Worldwide Sales at Avaya. In this role, he is responsible for driving strategies for Software Defined Architecture and leading digital transformation efforts across different industries. Before his time at Avaya, he was a General Manager for the Networking Business Unit at Nortel, where he was central to the integration of the Nortel networking business into the Avaya portfolio. He also held numerous leadership roles at both Nortel and Bay Networks. He has a degree in Electronics from the Institut Teccart and an Executive MBA from the University of Ottawa.

I. Bobby Majumder

Bobby Majumder is a partner at Frost Brown Todd and co-leader of the firm's Energy Industry Team, as well as head of their India desk. He also serves as a lead independent Director for Bluerock Homes Trust, Inc., and a Trustee for the Total Income + Real Estate Fund. He holds a certification from the National Association of Corporate Directors (NACD.DC). Before joining Frost Brown Todd, Majumder held partner-level positions at several prominent law firms, including: Reed Smith LLP, Perkins Coie, K&L Gates LLP. And Gardere Wynne Sewell LLP. He has a Juris Doctor (J.D.) from Washington & Lee University and a BA in Philosophy from Trinity University.

OWNERSHIP

Ragula Bhaskar and Sanchaita Datta are husband and wife, and as a family, they own 46% of the common stock.



FINANCIALS

FY2025 Results Ending March 31, 2025

Revenues for FY2025 were \$16.3 million versus \$17.9 million, showing a decrease of 8.8%. Revenue in every category declined: product, service, and consulting, with product declining the most. Management believes the decrease in revenue was primarily due to its focus on the year-long process to obtain SEC approval for its IPO rather than sales. Additionally, consulting revenue decreased by \$385,510 due to the timing of consulting engagements. Gross margins went from \$16.8 million to \$15.2 million, yielding 93.5%. Gross margin dollars declined by \$1.6 million, mostly due to lower revenues.

Total operating expenses for the 2025 fiscal year increased \$602,000 to \$11.8 million from \$11.2 million in FY2024. The increase was primarily due to higher sales and marketing costs (up \$358,000) and higher general and administrative expenses (up \$271,000) from IPO expenses, increased professional fees, and provision for cancellations.

Operating income went from \$5.6 million to \$3.5 million in FY2025. Total other income was a loss of \$145,000, due almost entirely to a decline of \$206,000 of other income. The other income in FY2024 was due to the recovery of receivables originally set aside as potential bad debt in 2024.

The company's tax rate increased substantially in FY2025, rising to 40.6% from 23.6% the year before.

The net income to shareholders for FY2025 was \$2.0 million versus \$4.4 million a year ago. This resulted in earnings per share of \$0.15 compared with \$0.35 per share the previous year.

Nine Months FY2026 Results Ending December 31, 2025

Revenues for the first nine months of FY2026 were \$12.0 million, down 4% from \$12.5 million in the first nine months of FY2025. Product revenue was \$7.4 million compared to \$8.5 million during the same period in 2024, representing a decrease of 14%. During the nine months ended December 31, 2024, the company secured two large contracts, totaling \$1.4 million, marking an exceptional first half.

In the nine months ended December 31, 2025, the cost of revenue was \$1.0 million, an increase of \$151,000 from the prior period ended December 31, 2024. Gross profit was \$10.9 million, a decrease of \$662,000, or 6%, from the prior period. The gross margin decreased to 91% in the nine months ended December 31, 2025, from 93%, reflecting increased tariffs and transportation costs.

As planned, sales and marketing expenses increased as FatPipe invested in adding sales headcount across its divisions to invest in long-term growth. It increased \$714,000, or 25%, compared to the prior period, primarily due to an increase in salary expenses.

G&A expense was \$2.8 million for the nine months, an increase of \$469,000 compared to the prior period. This increase was primarily due to \$625,220 in non-cash stock-based compensation expense recorded in the second quarter, offset by overall cost-cutting via automation efforts in 2025. Excluding non-cash stock-based compensation, G&A decreased by 23%. Product development expense in the nine months ended December 31, 2025, was \$1.4 million, an increase of \$110,000 compared to the prior period, as the company continued the development of its cybersecurity and satellite products.

Total other income decreased by \$109,000, primarily due to a \$57,000 increase in the foreign exchange gain and an increase of \$64,000 in interest income.

Pretax profit fell \$1.8 million to \$1.3 million, resulting in an operating margin of 10.9% versus 24.8% the year before. The tax rate for the first nine months of FY 2025 was 22.5% compared to 25.0% last year. Net

income to shareholders dropped to \$1.0 million from \$2.3 million, generating EPS of \$0.07 versus \$0.08. The shares outstanding rose 6.9%.

Balance Sheet

As of December 31st, FatPipe had \$6.2 million in cash and \$4.6 million in debt. It had working capital of \$10.4 million. In Q3 FY2026, it had cash flow (not including changes in working capital) of \$234,000, and \$225,000 for free cash flow. For the first nine months of the fiscal year, free cash flow was \$2.0 million compared to \$3.3 million in the year-ago period. The company plans to stay at a positive cash flow in the next two years despite spending on growth.

FORECASTS

FY 2026 Forecast

This fiscal year has been usual compared with FY2025, and as a result, the quarters are expected to be lumpy compared to the year before periods. We have already discussed the first three quarters. In FY Q3 ending December 31st, the company had another challenge with the federal government's shutdown, which was from October 1st to November 12th, and inhibited some sales. As a result, we expect a weaker December quarter relative to a much stronger March quarter as some sales slipped into March. The company has fairly good visibility in the near term, as it will win a contract, but not book revenues until it receives a purchase order, often a month or two later. Given recent wins, we believe the company will show FY 2026 revenues of \$17.6 million, up almost 8% for the previous year. That revenue level could result in an annual EPS of \$0.14 per share.

FY 2027 Forecast

In FY 2027, the company is targeting 15% revenue growth, but hoping for higher results. It has doubled its salesforce and is adding further marketing efforts by opening new regional offices in large cities and increasing channel partnerships. We are starting with a forecast of \$20.2 million for the fiscal year and \$19.9 million for calendar 2026. The company plans to continue to spend, and we expect margins to remain similar to the year before.

VALUATION

For comparables, we are using FatPipe's main competitors that also provide SD-WAN solutions. To calculate the average, we are excluding the high and the low. Broadcom, in particular, is taken out because it is expected to have exceptionally high growth from its data center optical connection products. We see below that the average company trades at an EV/Sales ratio of 7.0 times the estimated calendar 2026 sales and also has an average revenue growth of 14% and an average EBITDA margin of 23%. FatPipe has yet to demonstrate consistent revenue growth and is at the low end of EBITDA margin, and should be at the lower end of the range until both improve. If we take half the 7.0 and use 3.5 times, that still puts FATN at an enterprise valuation of \$70 million, a market value of \$71 million, and a stock price of approximately \$5.00 per share.

	Ticker	Calendar	Calendar	EBIDTA			Enterprise Value / Sales			Included	Enterprise	Revenue
		2026E	2025E	LTM	EBITDA	Margin	2026E	2025E	LTM	in Average?	Value	Growth
Arista Networks	ANET	\$11,430	\$9,006	\$9,006	3,930	44%	14.7x	18.6x	18.6x	y	167,560	27%
Broadcom	AVGO	\$110,290	\$68,100	\$63,890	33,820	53%	14.4x	23.3x	24.9x	n	1,590,000	62%
Cisco	CSCO	\$63,240	\$59,050	\$59,050	16,250	28%	5.0x	5.4x	5.4x	y	317,950	7%
Ericsson	ERIC	\$25,660	\$25,960	\$26,530	5,670	21%	1.4x	1.3x	1.3x	n	34,790	-1%
Extreme Networks	EXTR	\$1,303	\$1,220	\$1,220	80	7%	1.5x	1.6x	1.6x	y	1,930	7%
Fortinet	FTNT	\$7,600	\$6,800	\$6,800	2,230	33%	8.0x	9.0x	9.0x	y	61,040	12%
Hewlett Packard Enterprise	HPE	\$41,800	\$35,760	\$34,300	4,490	13%	1.2x	1.4x	1.4x	y	48,450	17%
Palo Alto Networks	PANW	\$11,180	\$9,880	\$9,560	1,380	14%	11.7x	13.3x	13.7x	y	131,040	13%
Average						23%	7.0x	8.2x	8.3x		121,328	14%
FatPipe	FATN	20	16	15	4	25%	1.2x	1.5x	1.6x		24	26%

RISKS

- Given the way the company books software revenue upfront, its quarterly sales are quite variable and unpredictable, depending on when contracts are implemented.
- Dr. Ragula Bhaskar and Sanchaita Datta own 46% of the stock and together hold the positions of Chairman of the Board, CEO, President, and CTO. Others have minimal say in governance and management.
- The company has three major partners that accounted for 47.2% of the company's consolidated revenues for the nine months ended December 31, 2025. The largest contributed \$5.1 million or 42.9% in revenue for the nine months ended December 31, 2025, and \$5.9 million or 47.1% for the nine months ended December 31, 2024. Partner B contributed \$356,000 or 3.0% for the nine months ended December 31, 2025, and \$578,000 or 4.6% for the nine months ended December 31, 2024. Partner C contributed \$159,000 or 1.3% for the nine months ended December 31, 2025, and nothing last year.

INCOME STATEMENT

(in thousands)	June				Sept				Dec				March				FY2023				FY2024				FY2025				FY2026E				FY2027E				
	FYQ1 25	FYQ2 25	FYQ3 25	FYQ4 25	FYQ1 26	FYQ2 26	FYQ3 26	FYQ4 26E	FYQ1 27E	FYQ2 27E	FYQ3 27E	FYQ4 27E	FY2023	FY2024	FY2025	FY2026E	FY2027E	FY2023	FY2024	FY2025	FY2026E	FY2027E	FY2023	FY2024	FY2025	FY2026E	FY2027E	FY2023	FY2024	FY2025	FY2026E	FY2027E					
Product	2,105,347	4,487,946	1,953,706	1,953,706	2,392,303	2,420,579	2,572,879	3,500,000					NA	11,581,464	10,706,169	10,885,761						NA	3,421,453	3,110,230	3,657,209												
Service	868,231	611,100	438,956	438,956	953,287	905,795	898,127	900,000					NA	3,421,453	3,110,230	3,657,209						NA	2,857,992	2,472,482													
Consulting	776,742	496,529	756,015	756,015	590,333	632,857	616,780	600,000					NA	2,857,992	2,472,482							NA	2,857,992	2,472,482													
REVENUE	3,750,319	5,595,576	3,148,677	3,794,309	3,935,923	3,959,231	4,087,786	5,600,000	5,600,000	4,500,000	4,200,000	5,900,000	15,795,742	17,860,909	16,288,881	17,582,940	20,200,000	15,795,742	17,860,909	16,288,881	17,582,940	20,200,000	15,795,742	17,860,909	16,288,881	17,582,940	20,200,000	15,795,742	17,860,909	16,288,881	17,582,940	20,200,000	15,795,742	17,860,909	16,288,881	17,582,940	20,200,000
Yr-to-yr Gr.					5%	-29%	30%	48%	42%	14%	3%	5%	13.1%	-8.8%	7.9%	14.9%																					
OPERATING EXPENSES																																					
Cost of revenue	283,680	229,315	379,870	168,782	226,934	312,904	503,816	600,000	392,000	226,934	226,934	226,934	1,102,500	1,069,574	1,061,647	1,643,654	1,072,802																				
Gross Margin	3,466,639	5,366,261	2,768,807	3,625,527	3,708,989	3,646,327	3,583,970	5,000,000	5,208,000	4,273,066	3,973,066	5,673,066	14,693,242	16,791,335	15,227,234	15,939,286	19,127,198																				
% of Sales	92.4%	95.9%	87.9%	95.6%	94.2%	92.1%	87.7%	89.3%	93.0%	95.0%	94.6%	96.2%	93.0%	94.0%	93.5%	90.7%	94.7%																				
Sales and Marketing	1,014,935	919,392	888,546	931,075	1,051,665	1,202,636	1,282,706	1,500,000	1,500,000	1,600,000	1,700,000	1,800,000	3,352,263	3,396,136	3,753,948	5,037,007	6,600,000																				
General and Administrative	581,122	1,183,797	573,906	1,083,772	586,999	1,392,675	828,350	1,300,000	700,000	1,600,000	1,000,000	1,600,000	3,625,743	3,151,924	3,422,596	4,108,024	4,900,000																				
Product development	423,500	435,402	448,568	479,658	474,457	489,157	453,539	489,157	500,000	500,000	500,000	500,000	1,796,805	1,737,588	1,787,128	1,906,310	2,000,000																				
Employee cost	587,239	564,298	672,959	967,320	593,191	562,652	616,955	620,000	640,000	650,000	660,000	670,000	2,679,280	2,867,360	2,791,816	2,392,798	2,620,000																				
Tot Operating Exp.	2,606,796	3,102,889	2,583,979	3,461,825	2,706,312	3,647,120	3,181,550	3,909,157	3,340,000	4,350,000	3,860,000	4,570,000	11,454,091	11,153,008	11,755,488	13,444,139	16,120,000																				
Operating income	859,843	2,263,372	184,828	163,702	1,002,677	(793)	402,420	1,090,843	1,868,000	(76,934)	113,066	1,103,066	3,239,151	5,638,327	3,471,746	2,495,147	3,007,198																				
Operating Margin	22.9%	40.4%	5.9%	4.3%	25.5%	0.0%	9.8%	19.5%	33.4%	-1.7%	2.7%	18.7%	20.5%	31.6%	21.3%	14.2%	14.9%																				
Interest income	26,090	(15,576)	15,342	16,832	5,799	42,949	41,145	42,000	42,000	42,000	42,000	42,000	134	27,261	42,688	131,893	168,000																				
Other income	-	-	1,831	-	-	-	-	-	-	-	-	-	59,114	207,661	1,831	-	-																				
Foreign exchange gain	(27,426)	17,380	60,506	50,923	17,792	27,895	61,361	-	-	-	-	-	(49,973)	27,185	101,383	107,048	-																				
Interest expense	(86,032)	(86,411)	(118,081)	(39,368)	(89,888)	(126,033)	(104,072)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(107,131)	(302,124)	(329,892)	(399,993)	(400,000)																				
Total other income	(87,368)	(84,607)	(40,402)	28,387	(46,297)	(55,189)	(1,566)	(58,000)	(58,000)	(58,000)	(58,000)	(58,000)	(97,856)	(40,017)	(183,990)	(161,052)	(232,000)																				
Profit before tax	772,475	2,178,765	144,426	192,089	956,380	(55,882)	400,854	1,032,843	1,810,000	(134,934)	55,066	1,045,066	3,141,295	5,598,310	3,287,756	2,334,095	2,775,198																				
Profit margin	20.6%	38.9%	4.6%	5.1%	24.3%	-1.4%	9.8%	18.4%	32.3%	-3.0%	1.3%	17.7%	19.9%	31.3%	20.2%	13.3%	13.7%																				
Taxes	163,398	551,117	60,054	560,293	215,185	(12,595)	90,192	232,390	407,250	(30,360)	12,390	235,140	255,457	1,318,630	1,334,862	525,172	624,420																				
Tax Rate	21.2%	25.3%	41.6%	291.7%	22.5%	-22.5%	22.5%	22.5%	22.5%	22.5%	22.5%	22.5%	8.1%	23.6%	40.6%	22.5%	22.5%																				
GAAP Net income	609,077	1,627,648	84,372	(368,204)	741,195	(43,387)	310,662	800,453	1,402,750	(104,574)	42,676	809,926	2,885,838	4,279,680	1,952,894	1,808,923	2,150,778																				
Minority income	(16,416)	16,416	-	-	-	-	-	-	-	-	-	-	(29,979)	(87,025)	(13,514)	-	-																				
Net income to shareholders	(625,493)	1,611,232	84,372	(368,204)	741,195	(43,387)	310,662	800,453	1,402,750	(104,574)	42,676	809,926	2,911,817	4,366,705	1,966,408	1,808,923	2,150,778																				
Yr-to-yr Gr.					-218%	-103%	268%	-317%	89%	141%	-198%	1%	50.0%	-55.0%	-8.0%	18.9%																					
GAAP EPS	(\$0.05)	\$0.13	\$0.01	(\$0.03)	\$0.05	(\$0.00)	\$0.02	\$0.06	\$0.10	(\$0.01)	\$0.00	\$0.06	\$ 0.23	\$ 0.35	\$ 0.15	\$ 0.13	\$ 0.21																				
Yr-to-yr Gr.					-207																																

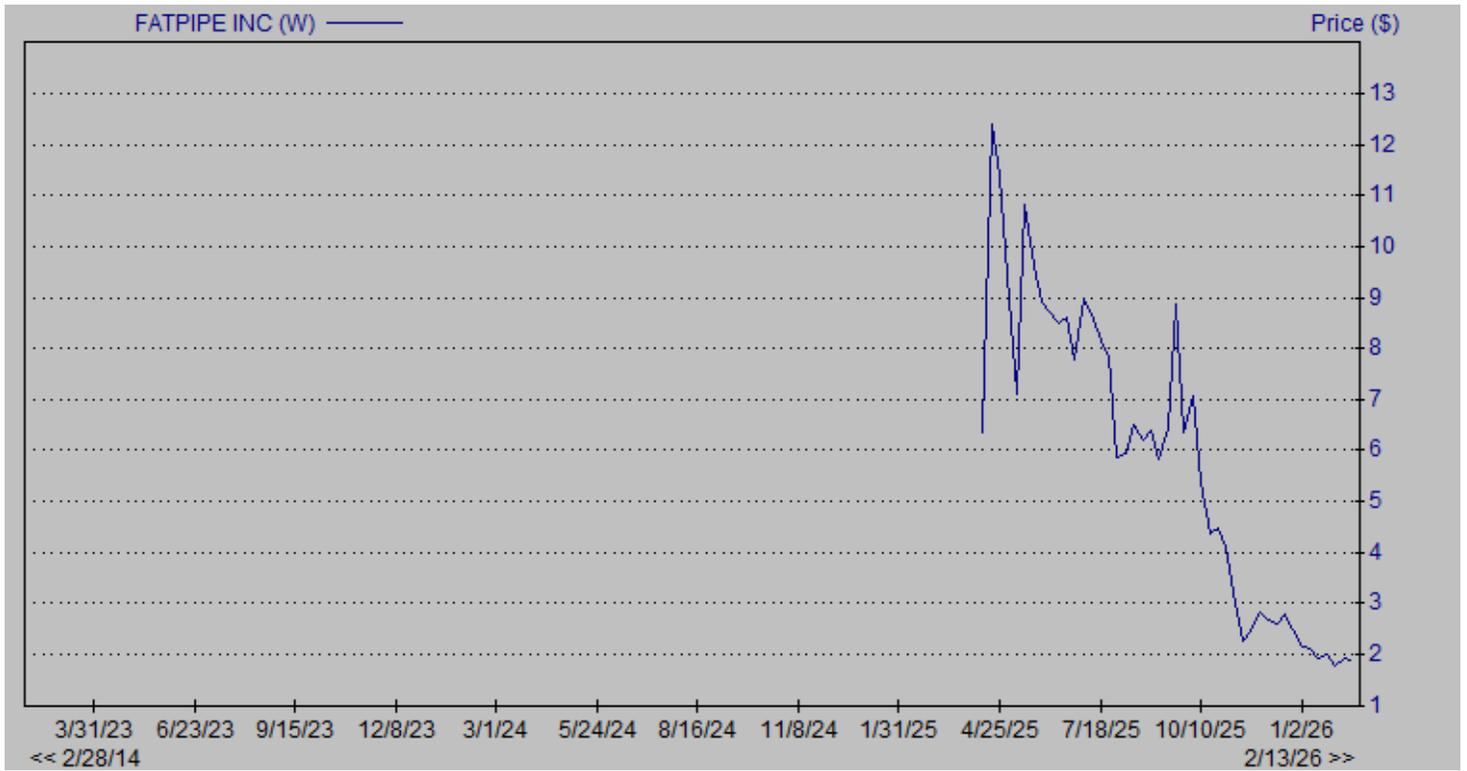
BALANCE SHEET

\$ in thousands	Dec 31, 2025	Sept 30, 2025	Qtr-Qtr % Change	Mar. 31, 2025	YTD % Change
CURRENT ASSETS					
Cash and cash equivalents	\$6,163,214	\$6,229,021	-1.1%	\$2,920,550	111.0%
Accounts receivable, net	4,414,594	4,334,621	1.8%	3,764,945	17.3%
Inventory	167,348	328,736	-49.1%	419,677	-60.1%
Other current assets	153,550	230,169	-33.3%	666,376	-77.0%
Contract receivable - current, net	5,670,124	5,481,559	3.4%	5,191,136	9.2%
Total current assets	16,568,830	16,604,106	-0.2%	12,962,684	27.8%
Property and equipment, net	86,731	85,098	1.9%	57,844	49.9%
Intangible assets, net	764,800	860,748	-11.1%	1,048,620	-27.1%
Operating lease right-of-use assets	1,154,472	1,254,254	-8.0%	1,455,373	-20.7%
Contract receivable - non current, net	13,345,249	12,959,109	3.0%	12,307,266	8.4%
Other non-current assets	381,415	402,805	-5.3%	379,077	0.6%
Deferred tax asset	76,905	76,905	0.0%	76,905	0.0%
TOTAL ASSETS	32,378,402	32,243,025	0.4%	28,287,769	14.5%
CURRENT LIABILITIES					
Accounts payable	352,184	294,762	19.5%	437,253	-19.5%
Accrued expenses and other	3,861,321	3,696,357	4.5%	3,863,096	0.0%
Deferred revenue	1,098,571	1,100,715	-0.2%	1,358,632	-19.1%
Operating lease liabilities, current	394,128	384,687	2.5%	366,677	7.5%
Notes payable, current	417,323	577,706	-27.8%	463,422	-9.9%
Total current liabilities	6,123,527	6,054,227	1.1%	6,489,080	-5.6%
Notes payable, non current	4,183,321	4,183,321	0.0%	4,642,317	-9.9%
Operating lease liabilities	800,033	905,401	-11.6%	1,114,067	-28.2%
Other non-current liabilities	111,343	112,757	-1.3%	116,988	-4.8%
Total liabilities	11,218,224	11,255,706	-0.3%	12,362,452	-9.3%
Common stock	131,245	131,245	0.0%	130,265	0.8%
Additional paid-in capital	5,954,817	6,079,817	-2.1%	1,588,105	275.0%
Retained earnings	12,114,533	11,803,871	2.6%	11,106,063	9.1%
Accumulated other comprehensive income	2,959,583	2,972,386	-0.4%	3,100,884	-4.6%
Total stockholders' equity	21,160,178	20,987,319	0.8%	15,925,317	32.9%
Total liabilities and stockholders' equity	\$32,378,402	\$32,243,025	0.4%	\$28,287,769	14.5%
Current Ratio	2.7	2.7	-1.3%	2.0	35.4%
Quick Ratio	2.7	2.7	-0.4%	1.9	38.6%
Working Capital	10,445,303	10,549,879	-1.0%	6,473,604	61.4%
Cash and equivalents	6,163,214	6,229,021	-1.1%	2,920,550	111.0%
Cash Percent of Assets	19.0%	19.3%	-1.5%	10.3%	84.4%
Debt	4,600,644	4,761,027	-3.4%	5,105,739	-9.9%
Debt Percent of Assets	14.2%	14.8%	-3.8%	18.0%	-21.3%
Change in cash	(65,807)	322,033	-120.4%	3,308,471	-102.0%
Change in debt	(160,383)	(153,490)	4.5%	(344,712)	-53.5%

CASH FLOWS

	Year	3-Mo	3-Mo	3-Mo	3-Mo	Year	3-Mo	3-Mo	3-Mo
	FY2024	6/30/24	9/30/24	12/31/24	3/31/25	FY2025	6/30/25	9/30/25	12/31/25
CASH FLOWS - OPERATING ACTIVITIES									
Net income	\$ 4,279,680	\$ 609,077	\$ 1,627,648	\$ 84,373	\$ (368,204)	\$ 1,952,894	\$ 741,195	\$ (43,387)	\$ 310,662
Income and non-cash expense items:									
Depreciation and amortization	699,257	133,545	133,147	132,662	146,355	545,709	91,957	104,108	102,837
Income tax provision	0	0	714,515	(714,515)	0	0	0	202,590	(202,590)
Allowance for contract receivable	262,167	49,392	84,455	(31,897)	170,107	272,057	33,811	32,691	23,053
Stock-based compensation	0	0	0	0	0	0	0	625,220	0
Allowance for accounts receivable	88,592	0	492,772	12,281	(61,249)	443,804	0	0	0
Loss on sale of asset	49,067	0	0	0	0	0	0	0	0
Bad debts written off during the year	54,754	0	52,942	0	0	52,942	0	0	0
Reversal of allowances account receivable	(197,024)	0	0	0	0	0	0	0	0
Foreign exchange	0	0	10,046	(46,576)	36,530	0	0	0	0
Changes in assets and liabilities:									
Accounts receivable	(689,481)	(301,098)	(388,344)	120,706	(529,384)	(1,098,120)	(201,750)	(367,926)	(79,973)
Contracts receivable	(6,796,849)	(546,374)	(2,117,821)	115,429	(898,568)	(3,447,334)	(757,572)	(251,196)	(597,758)
Inventories	242,428	24,994	(73,943)	(280,361)	23,155	(306,155)	11,517	79,424	161,388
Right of use assets	0	0	0	(965,514)	965,514	0	0	0	0
Other current assets	420,932	(66,467)	(321,307)	287,861	15,929	(83,984)	26,498	409,709	76,619
Accounts payable	176,419	(168,844)	98,095	(15,106)	105,579	19,724	(127,026)	(15,465)	57,422
Other Inon-current liabilities	116,007	(148)	548	(3,484)	4,065	981	51	(62,707)	(1,414)
Other assets	(78,798)	239	(2,467)	(338,585)	148,642	(192,171)	(79)	(23,649)	21,390
Accrued expenses and other current liabilities	929,038	225,324	(19,819)	595,158	680,011	1,480,674	(196,229)	(173,100)	367,554
Operating lease liabilities	410,424	(21,917)	(75,528)	947,569	(834,491)	15,633	9,476	987	3,855
Deferred revenue	(330,038)	(190,188)	(166,649)	(9,976)	206,033	(160,780)	(140,453)	(117,464)	(2,144)
Net cash provided by operating activities	(363,425)	(252,465)	48,290	(109,975)	(189,976)	(504,126)	(508,604)	399,835	240,901
CASH FLOWS - INVESTING ACTIVITIES									
Purchase of equipment, net	(19,188)	(1,955)	14,183	(24,976)	(4,014)	(16,762)	(42,449)	7,002	(8,522)
Investment in intangible	0	(3,000)	3,000	0	(3,000)	(3,000)	0	0	0
Net cash provided by (used in) investing activities	(19,188)	(4,955)	17,183	(24,976)	(7,014)	(19,762)	(42,449)	7,002	(8,522)
CASH FLOWS - FINANCING ACTIVITIES									
Proceeds from debt	500,000	0	0	513,652	5,000,000	5,513,652	0	0	0
Repayment of debt	0	0	0	0	(3,027,913)	(3,027,913)	(191,222)	(95,065)	(160,383)
Issuance of shares in IPO	0	0	0	0	0	0	3,784,474	83,000	(125,002)
Proceeds from related parties	120,000	0	0	0	0	0	0	0	0
Repayment of financing obligations of lease	(414,322)	0	(87,424)	87,424	0	0	0	0	0
Net cash used in financing activities	205,678	0	(87,424)	601,076	1,972,087	2,485,739	3,593,250	(12,065)	(285,385)
Effect of foreign exchange rate change	211,952	(87,256)	99,958	304,188	(470,712)	(153,822)	(55,759)	(72,739)	(12,803)
INCREASE (DECREASE) IN CASH & EQUIVALENTS	35,017	(344,676)	78,007	770,313	1,304,385	1,808,029	2,986,438	322,033	(65,809)
CASH & CASH EQTS - BEGINNING OF PERIOD	1,077,502	1,112,519	767,843	845,850	1,616,163	1,112,519	2,920,550	5,906,988	6,229,023
CASH & CASH EQUIVALENTS - END OF PERIOD	1,112,519	767,843	845,850	1,616,163	2,920,548	2,920,548	5,906,988	6,229,023	6,163,214
SUPPLEMENTAL DISCLOSURE OF CASH FLOW									
Cash paid for interest	302,124	302,124	(129,681)	118,081	39,368	329,892	69,888	126,033	104,072
Operating Cash Flow	\$ 5,236,493	\$ 792,014	\$ 3,115,525	\$ (563,672)	\$ (76,461)	\$ 3,267,406	\$ 866,963	\$ 921,222	\$ 233,962
Free cash flow	\$ 5,217,305	\$ 790,059	\$ 3,129,708	\$ (588,648)	\$ (80,475)	\$ 3,250,644	\$ 824,514	\$ 928,224	\$ 225,440

HISTORICAL STOCK PRICE



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