November 6, 2026

Zacks Small-Cap Research

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FatPipe Inc. (NASDAQ: FATN)

FATN: In FYQ2 27, FatPipe Continued to Beat its 18% Growth Target and Added a New Product

We believe FatPipe's valuation should be compared to peers trading at an average EV/2026 calendar sales multiple of 8.8x. We think a 5.0x multiple would be conservative, yielding approximately $7.70 per share.

Current Price (11/5/26)	$4.57
Valuation	**$7.70**

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 proceeds to increase its direct sales force to spur sales growth.

SUMMARY DATA

52-Week High	**$7.96**
52-Week Low	**$1.45**
One-Year Return (%)	**38.5**
Beta	**2.9**
Average Daily Volume (sh)	**30,748**
Shares Outstanding (mil)	**14.1**
Market Capitalization ($mil)	**$65**
Short Interest Ratio (days)	**1.3**
Institutional Ownership (%)	**14.0**
Insider Ownership (%)	**47.0**
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	**9.5**
P/E using FY2027 Estimate	**10.4**
P/E using FY2028 Estimate	**11.4**

Risk Level	**Above Average**
Type of Stock	**Small Blend**
Industry	**Networking**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Jun)	Q2 (Sep)	Q3 (Dec)	Q4 (Mar)	Year (Mar)
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	7.2 A	19.2 A
2027	5.0 A	4.8 A	4.8 E	7.0 E	21.7 E
2028					25.6 E

GAAP EPS

	Q1 (Jun)	Q2 (Sep)	Q3 (Dec)	Q4 (Mar)	Year (Mar)
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	0.28 A	0.35 A
2027	0.09 A	0.09 A	0.08 E	0.20 E	0.44 E
2028					0.40 E

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FatPipe Continues to Beat its Growth Goals as FYQ2 Shows 22% Revenue Growth and EBITDA Increases 42%

FatPipe continues to beat its internal 18% target, as shown in its September results. In its second fiscal quarter of 2027 ending September 30, FatPipe reported revenue up 22% to $4.8 million and net income of $1.2 million, aided by a $371,000 tax reversal. Pretax income was $831,000 or a 17.2% margin. Its salesforce is aging, and its newer products are adding further revenue.

On August 18, FatPipe introduced its newest product, "Constellation", an AI-Assisted complete network management solution designed to give IT teams greater visibility into their devices and infrastructure across their local and Wide Area Networks. Constellation provides a central view of the LAN and WAN, helping organizations monitor network devices such as switches, routers, firewalls, servers, wireless equipment, and other supported network components. Besides monitoring network health, Constellation monitors every detail, even down to server fan status, optical connector brightness, and their voltage and amperage. It can monitor every single aspect of a network, including every single device, every single port in a switch, and the fiber connection. It also maintains an inventory of products and tracks applications on devices. It can tell customers when software is coming up for renewal, which software is vulnerable and has not been updated, and which software licenses are not even being used.

The advantage from a customer perspective is that they don't have to go to multiple vendors for different pieces of information. This product has been well accepted as it integrates everything, including other vendors' products, and shows it in one place. It can be added to any customer's setup even if they do not have FatPipe's other offerings or are mid-contract. As it is a new, unique offering, it is not replacing any FatPipe or its competitors' products. Customers pay per number of devices monitored.

Key Capabilities

- **Centralized LAN/WAN Visibility:** Provides a consolidated view of devices and network activity across the local area network.
- **Affordability**
- **Continuous Network Monitoring:** Monitors network infrastructure and device status to identify potential issues.
- **Simplified Troubleshooting:** Helps quickly locate network problems and better understand the condition of connected infrastructure. AI also helps the system learn and identify potential issues.
- **Unified Network Management:** Complements FatPipe's SD-WAN and security solutions, giving customers broader visibility across both WAN and LAN environments across their geographically distributed network
- **Inventory and Asset Management:** tracks assets, including addition and removal of assets, software versions on systems, and utilization of those assets.

The sales force continues to grow at FatPipe. It is currently at 30 salespeople, and management said it plans to add six by the end of March. The company is also expanding its sales partnerships. It recently signed up TD Synnex (previously called Tech Data), the largest technology distributor in the world, as well as Carahsoft Technology and Howard Technology Solutions, and we expect more. Its largest partner is still bringing in the great majority of sales. It contributed 67% of sales in the six months ending September 30.

In FYQ2 2027, the company recognized the remaining third of the $7 million contract announced in July for public schools, negotiated at the state level. This one large contract caused the majority of the bump in

recurring revenue year over year. This large contract is opening doors to other business as it proves FatPipe is capable of bigger projects.

While FatPipe is showing estimated fiscal year revenue growth of only 13%, on a 2026 calendar year basis, growth is expected to be much more impressive at 39% and should be looked at when comparing it to its peers. On an earnings basis, the company has an uphill battle next year because of taxes. This year it is using up its NOLs and will be going from getting back $1.5 million in taxes to paying a full tax rate of 22% next year. This will cause EPS to decline year over year, while pretax profit grows. Looking past FY 2028, earnings growth should be in line with revenue growth, if not surpass it due to operating leverage. Our current valuation is $7.70 per share, which is approximately 5x EV/Sales versus a peer average of 8.8x. On a PE basis, the stock is also undervalued given its growth.

Q2 FY2027 Results Ending September 30, 2026

Revenues for the September quarter were $4.8 million, up 22% from $4.0 million in the second quarter of FY2026. Product revenue was $3.3 million compared with $2.6 million during the same period in 2025.

In Q2 FY2027, the cost of revenue was $485,000, an increase of $172,000 from the prior period ended September 30, 2025. Gross profit rose to $4.3 million, an increase of $703,000, or 19%, from the prior period. The gross margin decreased to 90.0% in the quarter ended September 30, 2026, from 92.1%, reflecting product mix.

As planned, sales and marketing expenses increased as FatPipe added sales headcount across its divisions to invest in long-term growth. Expenses increased $138,000 compared to the prior period, primarily due to increased sales headcount and advertising and promotional efforts.

G&A expense was $1.1 million for the quarter, a decrease of $330,000 compared to the prior period. In last year's quarter, there was one-time stock-based compensation expense from the IPO offset by bad debt adjustments. Taking those out, G&A was very similar year to year. Product development expense was $525,000, up $36,000 as the company continues to develop new products and features.

Pretax income rose $887,000 to a profit of $831,000, versus a loss last year of $56,000, resulting in an operating margin of 17.2%. The company had a tax reversal of $371,000 compared to a reversal of $13,000 in the prior fiscal year. As previously mentioned, the company changed tax accountants, who revised how it reported taxes. Last fiscal year, the company had a partial reversal of approximately 50% of a $3.0 million prior-period accrued income tax payable balance, recognized as a change in accounting estimate; the utilization of general business credit carryforwards; and the foreign rate differential associated with losses.

As a result, net income was $1.2 million, up from a loss of $43,000 last year, generating EPS of $0.09, up from -$0.00 last year. The shares outstanding rose 2%.

Balance Sheet

As of September 30th, FatPipe had $3.1 million in cash and $4.4 million in debt. It had working capital of $12.6 million. On October 1st, it spent $410,000 in cash on an acquisition and refinanced a loan. In Q2 FY2027, it had cash flow (not including changes in working capital) and free cash flow of $1.2 million. The company plans to stay at a positive cash flow in the next two years despite spending on growth.

On July 2, 2026, the company filed an ATM shelf registration statement for up to $20.0 million of common stock and/or debt securities.

On October 1, 2026, FatPipe entered into a $4.5 million secured term loan and a secured revolving line of credit of up to $1.5 million with KeyBank National Association and used approximately $4.47 million of the

term loan proceeds to repay in full the outstanding balance of the Fortis Bank loan, and that loan was terminated. Borrowings under the new credit facilities bear interest at the adjusted daily SOFR Index plus 3.00%, which is a savings of 1.85%.

During the Quarter

On July 21, 2026, FatPipe announced that it was awarded a $7 million contract to provide FatPipe's network edge products and network monitoring services to public schools in an entire state.

On August 4, 2026, FatPipe and Carahsoft Technology Corp., The Trusted Government IT Solutions Provider®, announced a partnership under which Carahsoft will serve as a preferred FatPipe Public Sector distributor.

On September 11, 2026, FatPipe appointed Kanishka Ragula as Chief Financial Officer. Before joining FatPipe, he worked in J.P. Morgan's Technology Investment Banking group in San Francisco, advising technology companies on M&A, equity and debt financings, and other strategic transactions. He was involved in Snow Software's sale to Flexera; Francisco Partners' $1.2 billion acquisition of Jama Software; General Atlantic's investment in HighLevel; and Warburg Pincus' $350 million investment in CData Software. He was also involved in StubHub's IPO, which J.P. Morgan led, and PagerDuty's $350 million convertible senior notes placement. He also worked on transactions for OpenAI, LegalZoom, Jamf, McAfee, and Red Ventures. He held FINRA Series 79 and Series 63 registrations and completed the Securities Industry Essentials examination. Most recently, Ragula was Director of Finance at FatPipe. To support an orderly transition, Eric Sherb will continue to advise FatPipe in a consulting capacity.

On September 29, 2026, FatPipe announced a partnership with Howard Technology Solutions, a Value-Added Reseller and systems integrator serving enterprise and public sector customers.

After the Quarter Ended

On October 1, 2026, FatPipe bought ViewVertical Technologies LLC, which provides managed IT and consulting services, in order to expand market presence as well as its IT and cybersecurity offerings. The purchase price of $810,000 consists of $410,000 paid in cash at closing and up to $400,000 of contingent consideration. We believe the company will be contributing between $1 and $2 million to annual sales and adding approximately 15 people. The company is profitable and should be accretive.

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.

- 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 30 people today, and as these salespeople become more productive, revenues should accelerate. The company plans to add another plan to add six more by the end of March. It is also adding other channel partners, both traditional Value-Added Resellers (VARs) and Internet Service Providers (ISPs).

- The company launched its all-in-one platform, “Total Security 360,” last October as an upgrade to its current customers. This upgrade can cost up to 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. This quarter, it added a new product, “Constellation”, which provides an overview of a customer’s entire network.

- 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 manage their own networks and target large companies with large IT staff. FatPipe offers first-party management for its customer solutions.

- The company IPOed on April 7, 2025, at $5.75 and hit an all-time high of $23.27. The stock then fell significantly as long-time shareholders sold off stock and the company reported lower 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 revenue growth in the following quarters, the stock has begun to recover.

- Its enterprise value is now $65 million. Its estimated 2026 calendar revenue is $22 million, giving it an EV/Sales ratio of 3.0 times, compared with comparable companies that average 8.8 times. We believe that as the company shows continued revenue growth and returns to its historical high margins, its multiple should expand. Using just a 5x multiple, that would make FatPipe stock worth approximately $7.70 per share.

OVERVIEW

FatPipe Inc. was founded in 2010 and is headquartered in Salt Lake City, Utah, with a branch in Chennai, India. More than 2,500 customers across various industries use its products, including government, financial services, healthcare, and manufacturing. As of March 31, 2026, the company had 172 full-time employees, comprising 56 in the US, 112 in India, and 4 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 sales force to spur growth. The sales force was increased from eight in Q2FY2025 to 30 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 amount of intellectual property from 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.”

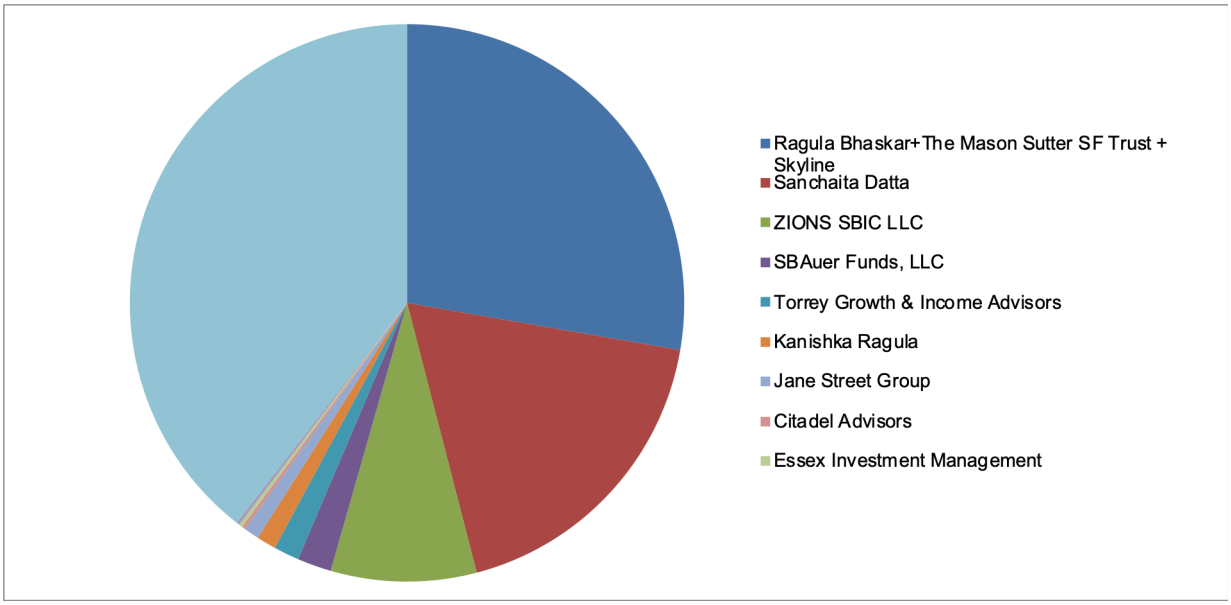
FatPipe's biggest reseller sells FatPipe's SD-WAN as part of its service offering, which is an upsell from just providing internet access or telecom services. Using FatPipe, a customer can separate its networking traffic into two categories: one stream that needs to access the entity's data center for 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 school. 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.

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 offering, Total Security 360, integrates 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 on a single platform, providing a holistic view of what is going on and a single phone call to make when there is a problem.

OWNERSHIP

Ragula Bhaskar and Sanchaita Datta are husband and wife; Kanishka Ragula is their son, and as a family, they own 47% of the common stock.



VALUATION

For comparables, we are using FatPipe's main competitors that also provide SD-WAN solutions. We see below that the average company trades at an EV/Sales ratio of 8.8 times the estimated calendar 2026 sales and also has an average EBITDA margin of 25%. FatPipe has not yet demonstrated consistent revenue growth and should be valued at the lower end of the range until it improves. If we use 5.0 times, that puts FATN at an enterprise valuation of $109 million, a market value of $108 million, and a stock price of approximately $7.70 per share.

	Ticker	Calendar 2027E	Calendar 2026E	LTM	EBITDA	EBIDTA Margin	Enterprise Value / Sales 2027E	2026E	LTM	Included in Average?	Enterprise Value	Revenue Growth
Arista Networks	ANET	$18,500	$13,300	$11,893	5,320	45%	10.8x	15.0x	16.8x	y	200,000	39%
Broadcom	AVGO	$182,150	$123,620	$89,100	52,260	59%	8.9x	13.1x	18.2x	y	1,620,000	47%
Cisco	CSCO	$67,100	$64,650	$63,320	18,640	29%	6.3x	6.5x	6.6x	y	419,580	4%
Ericsson	ERIC	$23,650	$23,080	$24,240	3,660	15%	1.4x	1.5x	1.4x	y	34,280	2%
Extreme Networks	EXTR	$1,520	$1,385	$1,310	102	8%	1.9x	2.1x	2.3x	y	2,950	10%
Fortinet	FTNT	$9,100	$8,200	$7,880	2,960	38%	9.9x	11.0x	11.4x	y	89,820	11%
Hewlett Packard Enterprise	HPE	$48,950	$43,800	$41,870	6,890	16%	1.8x	2.0x	2.1x	y	87,220	12%
Palo Alto Networks	PANW	$17,400	$14,850	$11,480	1,560	14%	16.4x	19.3x	24.9x	y	286,050	17%
Average						**25%**	**7.2x**	**8.8x**	**10.5x**		**180,937**	**15%**

RISKS

- Because the company books software revenue upfront, its quarterly results are highly 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.
- For the six months ending September 30, 2026, three major channel partners accounted for approximately 67.1% of FatPipe's consolidated revenues. The largest was 65.4% of revenue, up from 49.0% last year. This was an increase of $2.6 million, or more than all the growth in the first half of this year.

INCOME STATEMENT

(in thousands)	June FYQ1 26	Sept FYQ2 26	Dec FYQ3 26	March FYQ4 26	June FYQ1 27	Sept FYQ2 27	Dec FYQ3 27E	March FYQ4 27E	FY2025	FY2026	FY2027E	FY2028E
Product	2,392,303	2,420,579	2,572,879	5,655,510	3,538,734	3,322,745	3,300,000	5,400,000	10,706,169	13,041,271	15,561,479	18,362,545
Service	953,287	905,795	898,127	1,011,789	944,387	917,825	900,000	1,000,000	3,110,230	3,768,998	3,762,212	4,439,410
Consulting	590,333	632,857	616,780	558,055	548,417	593,491	600,000	600,000	2,472,482	2,398,025	2,341,908	2,763,451
REVENUE	3,935,923	3,959,231	4,087,786	7,225,354	5,031,538	4,834,061	4,800,000	7,000,000	16,288,881	19,208,294	21,665,599	25,565,407
Yr-to-yr Gr.	5%	-29%	30%	90%	28%	22%	17%	-3%	-8.8%	17.9%	12.8%	18.0%
OPERATING EXPENSES												
Cost of revenue	226,934	312,904	503,816	684,730	390,062	484,933	528,000	700,000	1,061,647	1,728,384	2,102,995	2,428,714
Gross Margin	3,708,989	3,646,327	3,583,970	6,540,624	4,641,476	4,349,128	4,272,000	6,300,000	15,227,234	17,479,910	19,562,604	23,136,693
% of Sales	94.2%	92.1%	87.7%	90.5%	92.2%	90.0%	89.0%	90.0%	93.5%	91.0%	90.3%	90.5%
Sales and Marketing	1,051,665	1,202,636	1,282,706	1,254,899	1,355,250	1,340,959	1,340,959	1,600,000	3,753,948	4,791,906	5,637,168	5,800,000
General and Administrative	586,999	1,392,675	828,350	1,951,629	1,163,706	1,062,395	1,000,000	1,150,000	3,422,596	4,759,653	4,376,101	5,200,000
Product development	474,457	489,157	453,539	487,889	527,045	524,781	525,000	525,000	1,787,128	1,905,042	2,101,826	2,100,000
Employee cost	593,191	562,652	616,955	661,141	694,010	576,338	650,000	670,000	2,791,816	2,433,939	2,590,348	2,800,000
Tot Operating Exp.	2,706,312	3,647,120	3,181,550	4,355,558	3,740,011	3,504,473	3,515,959	3,945,000	11,755,488	13,890,540	14,705,443	15,900,000
Operating Income	1,002,677	(793)	402,420	2,185,066	901,465	844,655	756,041	2,355,000	3,471,746	3,589,370	4,857,161	7,236,693
Operating Margin	25.5%	0.0%	9.8%	30.2%	17.9%	17.5%	15.8%	33.6%	21.3%	18.7%	22.4%	28.3%
Interest income	5,799	42,949	41,145	35,292	41,682	34,368	30,000	30,000	42,688	125,185	136,050	150,000
Other income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,831	0.0	0.0	0.0
Foreign exchange gain	17,792	27,895	61,361	139,826	7,368	53,638	0.0	0.0	101,383	246,874	61,006	0.0
Interest expense	(69,888)	(126,033)	(104,072)	(175,078)	(95,112)	(101,846)	(89,471)	(90,000)	(329,892)	(475,071)	(376,429)	(280)
Total other income	(46,297)	(55,189)	(1,566)	40	(46,062)	(13,840)	(59,471)	(60,000)	(183,990)	(103,012)	(179,373)	149,720
Profit before tax	956,380	(55,982)	400,854	2,185,106	855,403	830,815	696,570	2,295,000	3,287,756	3,486,358	4,677,788	7,386,413
Profit margin	24.3%	-1.4%	9.8%	30.2%	17.0%	17.2%	14.5%	32.8%	20.2%	18.2%	21.6%	28.9%
Taxes	215,185	(12,595)	90,192	(1,776,385)	(370,925)	(370,815)	(370,815)	(370,815)	1,334,862	(1,483,603)	(1,483,370)	1,625,011
Tax Rate	22.5%	-22.5%	22.5%	-81.3%	-43.4%	-44.6%	-53.2%	-16.2%	40.6%	-42.6%	-31.7%	22.0%
GAAP Net income	741,195	(43,387)	310,662	3,961,491	1,226,328	1,201,630	1,067,385	2,665,815	1,952,894	4,969,961	6,161,158	5,761,402
Minority income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(13,514)	0.0	0.0	0.0
Net income to shareholders	741,195	(43,387)	310,662	3,961,491	1,226,328	1,201,630	1,067,385	2,665,815	1,966,408	4,969,961	6,161,158	5,761,402
Yr-to-yr Gr.	-218%	-103%	268%	-1176%	65%	-2870%	-2560%	-33%	-55.0%	152.7%	24.0%	-6.5%
Stock-based comp	0.0	625,220	0.0	145,000	204,290	14,750	0.0	200,000	0.0	770,220	419,040	419,040
One-time	0.0	0.0	0.0	664,217	138,557	261,443	0.0	0.0	0.0	664,217	400,000	0.0
Non-GAAP Net Income	741,195	581,833	310,662	4,770,708	1,569,175	1,477,823	1,067,385	2,865,815	1,966,408	6,404,398	6,980,198	6,180,442
Yr-to-yr Gr.	-218%	-64%	268%	-1396%	112%	154%	244%	-40%		225.7%	9.0%	-11.5%
Diluted GAAP EPS	$0.05	($0.00)	$0.02	$0.28	$0.09	$0.09	$0.08	$0.19	$0.15	$0.35	$0.44	$0.40
Yr-to-yr Gr.	-207%	-102%	244%	-1143%	62%	-2823%	-2519%	-34%	-56.4%	132.0%	22.8%	-7.6%
Non-GAAP EPS	$0.05	$0.04	$0.02	$0.34	$0.11	$0.10	$0.08	$0.19	$0.15	$0.46	$0.50	$0.44
Primary shares out	13,826,468	13,892,903	13,924,468	13,924,468	14,092,732	14,128,109	14,128,468	14,200,000	12,858,852	13,822,787	14,137,327	14,300,000
Yr-to-yr Gr.	11%	9%	7%	3%	2%	2%	2%	2%	3.3%	7.5%	2.3%	1.2%
Diluted shares out	13,826,468	13,892,903	13,924,468	13,924,468	14,092,732	14,128,109	14,128,468	14,200,000	12,858,852	14,006,392	14,006,392	14,200,000
Adjusted EBITDA	1,094,633	819,912	587,547	2,287,903	1,287,426	1,163,274	1,200,000	2,398,114	5,017,457	4,789,995	6,048,814	7,409,149
EBITDA Margin	27.8%	20.7%	14.4%	31.7%	25.6%	24.1%	25.0%	34.3%	30.8%	24.9%	27.9%	29.0%

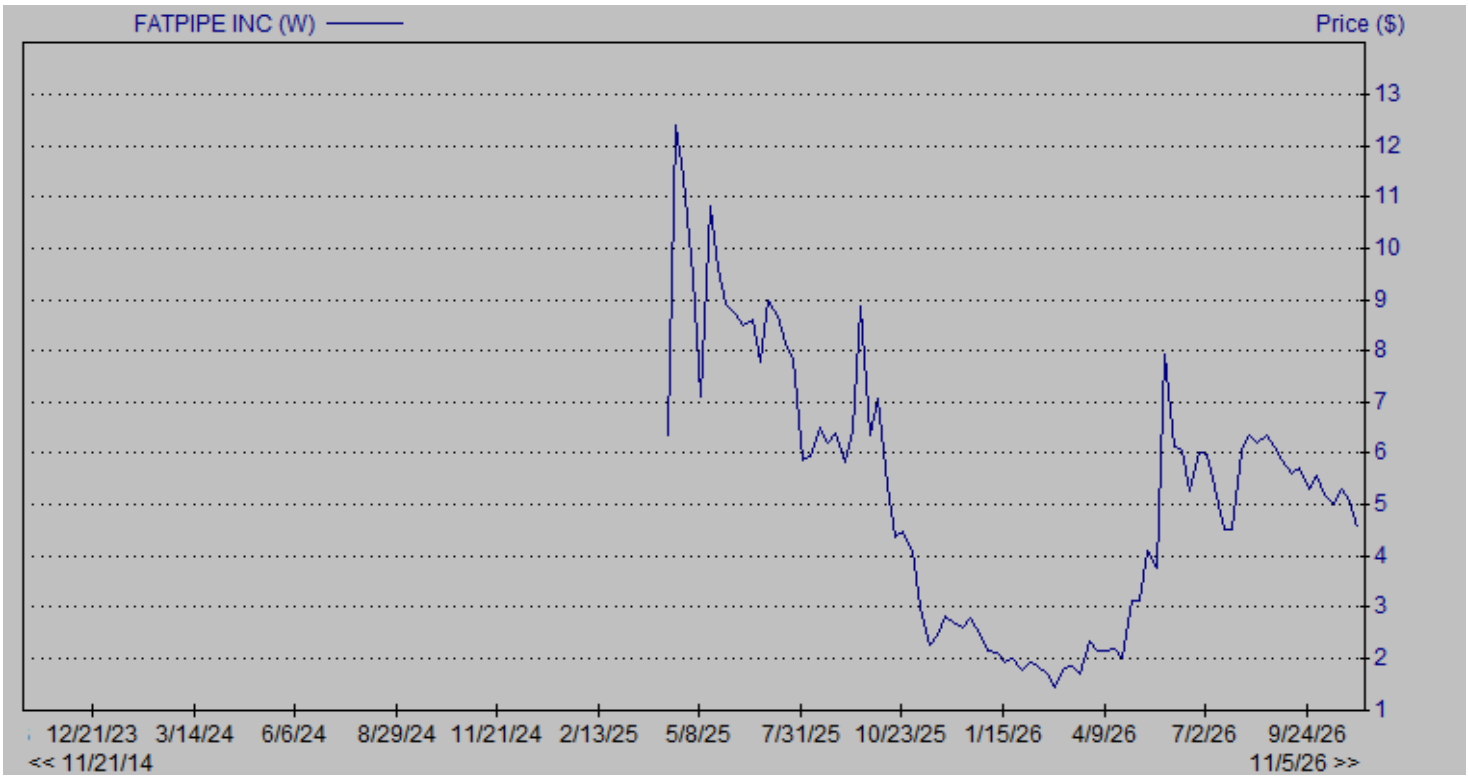
BALANCE SHEET

$ in thousands	Sept 30, 2026	June 30, 2026	Qtr-Qtr % Change	Sept 30, 2025	Yr-Yr % Change
CURRENT ASSETS					
Cash and cash equivalents	**$3,102,944**	**$4,308,342**	-28.0%	**$6,229,021**	-50.2%
Accounts receivable, net	4,287,748	4,049,414	5.9%	4,334,621	-1.1%
Inventory	663,301	769,903	-13.8%	328,736	101.8%
Other current assets	181,762	203,752	-10.8%	230,169	-21.0%
Contract receivable - current, net	7,423,747	7,063,792	5.1%	5,481,559	35.4%
Total current assets	15,659,502	16,395,203	-4.5%	16,604,106	-5.7%
Property and equipment, net	82,321	90,063	-8.6%	85,098	-3.3%
Intangibile assets, net	625,359	661,041	-5.4%	860,748	-27.3%
Operating lease right-of-use assets	841,763	943,286	-10.8%	1,254,254	-32.9%
Contract receivable - non current, net	17,739,575	16,937,434	4.7%	12,959,109	36.9%
Other non-current assets	358,247	372,458	-3.8%	402,805	-11.1%
Deferred tax asset	76,905	76,905	0.0%	76,905	0.0%
TOTAL ASSETS	35,383,672	35,476,390	-0.3%	32,243,025	9.7%
CURRENT LIABILITIES					
Accounts payable	133,380	631,997	-78.9%	294,762	-54.7%
Accrued expenses and other	1,253,604	1,768,613	-29.1%	3,696,357	-66.1%
Deferred revenue	826,895	919,245	-10.0%	1,100,715	-24.9%
Operating lease liabilities, current	421,998	411,079	2.7%	384,687	9.7%
Notes payable, current	**418,815**	**391,397**	7.0%	**577,706**	-27.5%
Total current liabilities	3,054,692	4,122,331	-25.9%	6,054,227	-49.5%
Notes payable, non current	**4,021,882**	**4,140,158**	-2.9%	**4,183,321**	-3.9%
Operating lease liabilities	462,782	575,899	-19.6%	905,401	-48.9%
Other non-current liabilities	120,132	121,892	-1.4%	112,757	6.5%
Total liabilities	7,659,488	8,960,280	-14.5%	11,255,706	-32.0%
Common stock	141,255	141,255	0.0%	131,245	7.6%
Additional paid-in capital	6,308,537	6,293,787	0.2%	6,079,817	3.8%
Retained earnings	18,503,982	17,302,352	6.9%	11,803,871	56.8%
Accumulated other comprehensive income	2,770,410	2,778,716	-0.3%	2,972,386	-6.8%
Total stockholders' equity	27,724,184	26,516,110	4.6%	20,987,319	32.1%
Total liabilities and stockholders' equity	$35,383,672	$35,476,390	-0.3%	$32,243,025	9.7%
Current Ratio	5.1	4.0	28.9%	2.7	86.9%
Quick Ratio	4.9	3.8	29.5%	2.7	82.6%
Working Capital	12,604,810	12,272,872	2.7%	10,549,879	19.5%
Cash and equivalents	3,102,944	4,308,342	-28.0%	6,229,021	-50.2%
Cash Percent of Assets	8.8%	12.1%	-27.8%	19.3%	-54.6%
Debt	4,440,697	4,531,555	-2.0%	4,761,027	-6.7%
Debt Percent of Assets	12.6%	12.8%	-1.7%	14.8%	-15.0%
Change in cash	(1,205,398)	(906,433)	33.0%	322,033	-474.3%
Change in debt	(90,858)	(92,728)	-2.0%	(153,490)	-40.8%

CASH FLOWS

	Year FY2024	Year FY2025	3-Mo 6/30/25	3-Mo 9/30/25	3-Mo 12/31/25	3-Mo 3/31/26	Year FY2026	3-Mo 6/30/25	3-Mo 9/30/26
CASH FLOWS - OPERATING ACTIVITIES									
Net income	$ 4,279,680	$ 1,952,894	$ 741,195	$ (43,387)	$ 310,662	$ 3,961,491	$ 4,969,961	$ 1,226,328	$ 1,201,630
Income and non-cash expense items:									
Depreciation and amortization	699,257	545,709	91,957	104,108	102,837	70,347	369,249	43,114	42,426
Income tax provision	0	0	0	202,590	(202,590)	0	0	0	0
Allowance for contract receivable	262,167	272,057	33,811	32,691	23,053	826,864	916,419	0	0
Stock-based compensation	0	0	0	625,220	0	145,000	770,220	204,290	14,750
Provision for credit losses, net	(53,678)	496,746	0	0	0	189,475	189,475	156,991	(41,011)
Loss on sale of asset	49,067	0	0	0	0	0	0	0	0
Changes in assets and liabilities:									
Accounts receivable	(689,481)	(1,098,120)	(201,750)	(367,926)	(79,973)	(70,251)	(719,900)	245,956	(221,864)
Contracts receivable	(6,796,849)	(3,447,334)	(757,572)	(251,196)	(597,758)	(3,971,888)	(5,578,414)	(1,997,820)	(1,137,555)
Inventories	242,428	(306,155)	11,517	79,424	161,388	(278,494)	(26,165)	(324,061)	106,602
Other current assets	420,932	(83,984)	26,498	409,709	76,619	28,279	541,105	(78,481)	21,990
Accounts payable	176,419	19,724	(127,026)	(15,465)	57,422	37,990	(47,079)	241,823	(498,617)
Other Inon-current iabilities	116,007	981	51	(62,707)	(1,414)	10,474	(53,596)	74	(1,760)
Other assets	(78,798)	(192,171)	(79)	(23,649)	21,390	9,062	6,724	(105)	14,211
Accrued expenses and other current liabilities	929,038	1,480,674	(196,229)	(173,100)	367,554	(1,867,422)	(1,869,197)	(225,286)	(515,009)
Operating lease liabilities	410,424	15,633	9,476	987	3,855	1,678	15,996	2,325	(675)
Deferred revenue	(330,038)	(160,780)	(140,453)	(117,464)	(2,144)	(5,131)	(265,192)	(174,195)	(92,350)
Net cash provided by operating activities	(363,425)	(504,126)	(508,604)	399,835	240,901	(912,526)	(780,393)	(679,047)	(1,107,232)
CASH FLOWS - INVESTING ACTIVITIES									
Purchase of equipment, net	(19,188)	(16,762)	(42,449)	7,002	(8,522)	(8,514)	(52,483)	(4,520)	998
Investment in intangible	0	(3,000)	0	0	0	0	0	0	0
Net cash provided by (used in) investing activities	(19,188)	(19,762)	(42,449)	7,002	(8,522)	(8,514)	(52,483)	(4,520)	998
CASH FLOWS - FINANCING ACTIVITIES									
Proceeds from debt	500,000	5,513,652	0	0	0	0	0	0	0
Repayment of debt	0	(3,027,913)	(191,222)	(95,065)	(160,383)	23,639	(423,031)	(92,728)	(90,858)
Issuance of shares in IPO	0	0	3,784,474	83,000	(125,002)	(83,310)	3,659,162	0	0
Proceeds from issuance of common stock	0	0	0	0	0	83,000	83,000	0	0
Proceeds from related parties	120,000	0	0	0	0	0	0	0	0
Repayment of financing obligations of lease	(414,322)	0	0	0	0	0	0	0	0
Net cash used in financing activities	205,678	2,485,739	3,593,250	(12,065)	(285,385)	23,329	3,319,131	(92,728)	(90,858)
Effect of foreign exchange rate change	211,952	(153,822)	(55,759)	(72,739)	(12,803)	(50,729)	(192,030)	(130,138)	(8,306)
INCREASE (DECREASE) IN CASH & EQUIVALENTS	35,017	1,808,029	2,986,438	322,033	(65,809)	(948,440)	2,294,225	(906,433)	(1,205,398)
CASH & CASH EQTS - BEGINNING OF PERIOD	1,077,502	1,112,519	2,920,550	5,906,988	6,229,023	6,163,214	2,920,550	5,214,775	4,308,342
CASH & CASH EQUIVALENTS - END OF PERIOD	1,112,519	2,920,548	5,906,988	6,229,023	6,163,214	5,214,775	5,214,775	4,308,342	3,102,944
SUPPLEMENTAL DISCLOSURE OF CASH FLOW									
Cash paid for interest	302,124	329,892	69,888	126,033	104,072	175,078	475,071	95,112	101,846
Operating Cash Flow	$ 5,236,493	$ 3,267,406	$ 866,963	$ 921,222	$ 233,962	$ 5,193,177	$ 7,215,324	$ 1,630,723	$ 1,217,795
Free cash flow	$ 5,217,305	$ 3,250,644	$ 824,514	$ 928,224	$ 225,440	$ 5,184,663	$ 7,162,841	$ 1,626,203	$ 1,218,793

HISTORICAL STOCK PRICE



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