PRESS/MEDIA RELEASE

ESCONET TECHNOLOGIES REPORTS STRONG Q2 AND H1 FY2026–27 RESULTS

H1 standalone revenue up 59.4% YoY to ₹226.32 crore; H1 standalone PAT at ₹21.06 crore. Consolidated H1 revenue up 146.9% to ₹358.82 crore.

The Sovereign Stack: Compute · Cloud · Cybersecurity · Integration.

Building momentum across AI/ML server infrastructure, enterprise technology, cloud, cybersecurity and digital infrastructure solutions

New Delhi | Friday, October 23, 2026

Esconet Technologies Limited ("Esconet" or "the Company") (NSE SME: ESCONET), a provider of AI/ML server infrastructure, enterprise technology, cloud, cybersecurity and digital infrastructure solutions, today announced its unaudited standalone and consolidated financial results for the second quarter and half year ended September 30, 2026. The results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held today on October 23, 2026.

Following the Company's decision to voluntarily disclose standalone quarterly financial results from Q1 FY2026–27, the Q2 results provide an additional reference point for investors to assess sequential operating performance. The half-yearly results offer a broader view of the Company's financial performance for the six months ended September 30, 2026, against the corresponding period of the previous financial year.

Highlights at a Glance:

- **Standalone Q2 revenue:** ₹165.24 crore, 2.7 times Q1 (+170.55% QoQ)
- **Standalone H1 revenue:** ₹226.32 crore, up 59.36% YoY
- **Standalone Q2 PAT:** ₹14.22 crore, more than double Q1 (+107.93% QoQ)
- **Standalone H1 PAT:** ₹21.06 crore, 14.2 times H1 FY2025–26 (+1,317.64% YoY)
- **Consolidated Q2 revenue:** ₹242.49 crore, up 108.45% QoQ
- **Consolidated H1 revenue:** ₹358.82 crore, up 146.89% YoY
- **Consolidated H1 PAT after minority interest:** ₹20.83 crore, 15.6 times the ₹1.33 crore in H1 FY2025–26
- **Operating leverage:** standalone employee and other expenses rose 17.5% QoQ, against 170.55% revenue growth
- **Operations-led earnings:** other income was about 6% of standalone Q2 PBT, against 20% in Q1

STANDALONE FINANCIAL PERFORMANCE HIGHLIGHTS

(₹ in Lakhs, unless stated otherwise)

Particulars	Q2 FY 2026–27 (30th Sep 26)	Q1 FY 2026–27 (30th June 26)	QoQ Change	H1 FY2026–27	H1 FY2025–26	Change
Revenue from Operations	**16,524.40**	6,107.71	+170.55%	**22,632.11**	14,201.87	+59.36%
Other Income	**119.34**	190.04	−37.20%	**309.37**	88.29	+250.40%
Total Income	**11,643.74**	6,297.75	+164.28%	**22,941.48**	14,290.16	+60.54%
Total Expenses	**14,756.42**	5,362.08	+175.20%	**20,118.51**	14,100.39	+42.68%
EBITDA	**1,928.73**	968.93	+99.06%	**2,897.66**	286.05	+912.99%
EBITDA Margin	**11.59%**	15.39%	−380 bps	**12.63%**	2.00%	+1,063 bps
Profit Before Tax	**1,887.31**	935.67	+101.71%	**2,822.98**	189.77	+1,387.58%
PBT Margin	**11.34%**	14.86%	−352 bps	**12.31%**	1.32%	+1,098 bps
Profit After Tax	**1,421.82**	683.80	+107.93%	**2,105.62**	148.53	+1,317.64%
PAT Margin	**8.54%**	10.86%	−232 bps	**9.17%**	1.04%	+814 bps
Earnings Per Share (₹)	**10.77**	5.18	+107.92%	**15.96**	1.13	+1,312.39%

Standalone Financial Highlights (Q2 FY2026-27):

- **Revenue from Operations** was ₹16,524.40 lakhs (₹165.24 crore), compared with ₹6,107.71 lakhs (₹61.08 crore) in Q1.
- **Total Income** was ₹16,643.74 lakhs (₹166.44 crore), reflecting strong core-business activity and supportive market conditions, including tight supply, higher memory prices and better allocation.
- **EBITDA** was ₹1,928.73 lakhs (₹19.29 crore), an EBITDA margin of 11.59% of Total Income.
- **Profit Before Tax** was ₹1,887.31 lakhs (₹18.87 crore), a PBT margin of 11.34%.
- **Profit After Tax was** ₹1,421.82 lakhs (₹14.22 crore), a PAT margin of 8.54%.
- Basic and Diluted **EPS** was ₹10.77 per equity share, against ₹5.18 in Q1.
- **Operating leverage:** employee and other expenses rose only 17.5% QoQ (₹11.77 crore against ₹10.02 crore), taking operating expenses to 7.1% of revenue from 16.4% in Q1.
- **Operations-led earnings:** other income was about 6% of PBT, down from 20% in Q1.
- Margins moderated from Q1 levels as the revenue mix shifted. PBT margin held above 11%, and absolute profit more than doubled.

H1 FY2026–27 standalone highlights

- **Revenue from Operations** was ₹226.32 crore, up 59.36% from ₹142.01 crore in H1 FY2025–26.
- **Profit Before Tax** was ₹28.23 crore against ₹1.90 crore, 14.9 times. PBT margin on revenue from operations rose from 1.3% to 12.5%.
- **Profit After Tax** was ₹21.06 crore against ₹1.49 crore, 14.2 times. PAT margin rose from 1.0% to 9.3%.
- Basic and Diluted **EPS** was ₹15.96 against ₹1.13.

CONSOLIDATED FINANCIAL RESULTS

Esconet's consolidated financial performance for the 2nd quarter, and Half year ended 30th September 2026 reflects continued business activity across the Company's integrated technology and digital infrastructure ecosystem, including its subsidiaries.

(₹ in Lakhs, unless stated otherwise)

Particulars	Q2 FY 2026–27 (30 Sep 26)	Q1 FY 2026–27 (30 June 26)	QoQ Change	H1 FY2026–27	H1 FY2025–26	Change
Revenue from Operations	**24,248.91**	11,632.69	+108.45%	**35,881.60**	14,533.33	+146.89%
Other Income	**127.65**	193.21	−33.93%	**320.86**	96.64	+232.02%
Total Income	**24,376.56**	11,825.90	+106.13%	**36,202.46**	14,629.97	+147.45%
Total Expenses	**22,491.30**	10,926.63	+105.84%	**33,418.13**	14,461.54	+131.08%
EBITDA	**2034.31**	1,011.16	+101.19%	**3045.47**	286.05	+964.66%
EBITDA Margin	**8.35%**	8.55%	−21 bps	**8.41%**	1.96%	+646 bps
Profit Before Tax	**1,885.26**	899.07	+109.69%	**2,784.34**	168.43	+1,553.11%
PBT Margin	**7.73%**	7.60%	+13 bps	**7.69%**	1.15%	+654 bps
Profit After Tax & Minority Interest	**1,425.61**	657.66	+116.78%	**2,083.28**	133.26	+1,463.32%
PAT Margin	**5.85%**	5.56%	+29 bps	**5.75%**	1.04%	+484 bps
Earnings Per Share (₹)	**10.80**	4.86	+116.87%	**15.79**	1.01	+1,463.37%

Consolidated Financial Highlights (Q2 HY 26-27):

- **Revenue from Operations** was ₹24,248.91 lakhs (₹242.49 crore), against ₹11,632.69 lakhs (₹116.33 crore) in Q1, a quarter-on-quarter growth of 108.45%.
- **Total Income** was ₹24,376.56 lakhs (₹243.77 crore), up 106.13% from ₹11,825.90 lakhs (₹118.26 crore).
- **EBITDA** was ₹2,034.31 lakhs (₹20.34 crore), an EBITDA margin of 8.35%, against 8.55% in Q1.
- **Profit Before Tax was** ₹1,885.26 lakhs (₹18.85 crore), a PBT margin of 7.73%, against ₹899.07 lakhs (₹8.99 crore) in Q1.
- **Profit After Tax and Minority Interest** was ₹1,425.61 lakhs (₹14.26 crore), a PAT margin of 5.85%, against ₹657.66 lakhs (₹6.58 crore) in Q1, up 116.78%.
- Basic and Diluted **EPS** was ₹10.80 per equity share, against ₹4.98 in the preceding quarter.
- Esconet Singapore contributed ₹75.30 crore of Q2 revenue, about 31% of consolidated revenue.
- Finance costs were just 0.13% of revenue, leaving headroom to fund growth.
- Revenue more than doubled and profit grew faster, with PAT margin improving by 29 bps sequentially.

H1 FY2026–27 consolidated highlights

- Revenue from Operations was ₹358.82 crore, up 146.89% from ₹145.33 crore in H1 FY2025–26.
- Profit Before Tax was ₹27.84 crore against ₹1.68 crore, 16.5 times. PBT margin on revenue from operations rose from 1.2% to 7.8%.
- Profit After Tax and Minority Interest was ₹20.83 crore against ₹1.33 crore, 15.6 times. PAT margin rose from 0.9% to 5.8%.
- Basic and Diluted EPS was ₹15.79 against ₹1.01.

Group Structure: The Sovereign Stack

Esconet's four businesses, HexaData (hardware), ZeaCloud (cloud), Fluidech (cybersecurity) and Esconet (integration), operate together as The Sovereign Stack. Group PBT of ₹18.85 crore in Q2 tracked standalone PBT of ₹18.87 crore, as profit at Esconet Singapore offset early-stage losses at ZeaCloud and Fluidech.

Subsidiary	Focus	Holding	Q2 revenue (₹ crore)	H1 revenue (₹ crore)	Q2 PBT (₹ crore)	H1 PBT (₹ crore)
Esconet Singapore Pte Ltd	International distribution and procurement	100%	**75.30**	**129.09**	**0.97**	**1.27**
ZeaCloud Services Pvt Ltd	Cloud infrastructure and managed services	100%	**1.19**	**2.41**	**(0.64)**	**(1.03)**
Fluidech IT Services Pvt Ltd	Cybersecurity services	70%	**0.66**	**1.72**	**(0.35)**	**(0.62)**

Esconet Singapore's Q2 revenue rose about 40% from ₹53.79 crore in Q1. ZeaCloud turned EBITDA-positive in Q2 at ₹0.41 crore. Subsidiary revenue is shown before inter-company eliminations.

BUSINESS HIGHLIGHTS:

During the quarter, demand remained strong across Esconet's core solution areas, driven by enterprise and government investment in digital infrastructure:

- Sustained momentum in AI/ML server infrastructure, enterprise IT and data centre solutions, backed by rising GPU and HPC demand
- Elevated NVIDIA partner status, supporting GPU allocation, commercial terms and market reach
- Supportive market conditions: tight supply, higher memory prices and better allocation helped margins

- Execution of technology infrastructure projects for enterprise and government customers, amid continued public-sector digitalization.
- Growing demand for cloud, virtualization, AI cloud and hybrid-cloud environments
- Expansion of cybersecurity consulting and managed security services as enterprises invest more in security, risk management and compliance
- Growth in managed services and recurring-revenue opportunities
- Deeper relationships with leading global OEMs and strategic partners
- Continued investment in technical talent and delivery capabilities to take on larger, more complex engagements

MESSAGE FROM THE CHAIRMAN & MANAGING DIRECTOR

Commenting on the Company's performance, **Santosh Kumar Agrawal**, **Chairman & Managing Director**, said:

*"**This has been a defining half for Esconet**. In Q2 alone, standalone revenue reached ₹165.24 crore, 2.7 times the previous quarter, and profit after tax more than doubled to ₹14.22 crore. For the first half, standalone revenue grew 59% to ₹226.32 crore while profit after tax rose 14 times to ₹21.06 crore. On a consolidated basis, revenue stood at ₹358.82 crore, up 146.89% over last year, and profit after tax and minority interest reached ₹20.83 crore, more than 15 times what we earned in the same period last year.*

These numbers belong to every member of the Esconet family. They reflect the commitment of our engineers who deliver complex projects, our teams who earn the trust of customers day after day, and our OEM and channel partners who stand with us. I thank each of them, and our shareholders, for believing in this journey.

India is in the middle of a technology transformation. Demand for AI and high-performance computing is surging, government digitalisation is accelerating, and enterprises are investing in cloud, data centres, cybersecurity and compliance on a scale we have never seen. Companies that pair deep technical capability with dependable execution will lead this era, and Esconet is built to be one of them.

But a strong half is a foundation, not a finish line. Through The Sovereign Stack, our integrated platform of Compute, Cloud, Cybersecurity and Integration, we are building a partner our customers can rely on at every stage of their digital journey. Our priorities for the second half are clear. Esconet will keep growing profitability faster than revenue. Fluidech will build its path to breakeven. ZeaCloud is pursuing MeitY empanelment to become a certified sovereign cloud for government.

We have shown what this team can do. Now we raise the bar. I am confident that, together, we will turn this momentum into disciplined, profitable growth and lasting value for our customers, our people and our shareholders."

OUTLOOK

Management is optimistic about the remainder of FY2026–27. The pipeline is robust, and the Company sees good growth across all four verticals (hardware, cloud, security and integration) this year, with a focus on profitable, disciplined expansion. Management is not committing to specific growth numbers. India continues to see significant investment in enterprise digital transformation, cloud computing, cybersecurity, artificial intelligence, data centre infrastructure and next-generation networking. These structural trends are expected to create substantial opportunities for technology solution providers with proven execution capabilities and strong domain expertise.

Esconet is well positioned to capture these opportunities through its diversified technology portfolio, strong OEM partnerships, expanding customer base and integrated service delivery.

H2 FY2026–27 priorities:

- **Esconet (integration and hardware):** margin discipline, growing profitability faster than revenue, driving operational efficiency and optimising the vendor mix
- **Fluidech (cybersecurity):** ramping team size and revenue toward breakeven, strengthening business development and client relationships, and building repeatable security, risk and compliance delivery
- **ZeaCloud (cloud):** pursuing MeitY empanelment to host government data and become a certified sovereign cloud for government, which would open a recurring, multi-year revenue stream

- Expanding recurring and managed-services revenues
- Investing in people, technology and innovation

With a healthy project pipeline, strong customer engagement and a resilient business model, the Company is confident of sustaining positive momentum through the second half of FY2026–27 while creating long-term value for its shareholders.

ABOUT ESCONET TECHNOLOGIES LIMITED

Esconet Technologies Limited, incorporated in 2012, is an Indian enterprise technology solutions and system integration company providing integrated solutions across HexaData AI/ML Servers, IT infrastructure, cloud computing, cybersecurity, managed services, networking, virtualization, data protection and digital transformation.

The Company's offerings are organised as The Sovereign Stack (Compute · Cloud · Cybersecurity · Integration) through four businesses: HexaData (hardware), ZeaCloud (cloud), Fluidech (cybersecurity) and Esconet (integration).

The Company serves a diversified base of enterprises, institutions and government organizations across India, and works with leading global technology OEMs and partners to deliver scalable, secure and future-ready solutions. Esconet is certified under ISO 9001, ISO 27001, ISO 20000-1 and ISO 14001, and is listed on the SME Platform of the National Stock Exchange of India Limited (NSE).

INVESTOR RELATIONS:

Rajnish Pandey
Company Secretary & Compliance Officer
Esconet Technologies Limited
Address: *D – 147, Okhla Industrial Area*
Phase – 1, New Delhi - 110020
Email*: cs@esc.co.in*
Website*: www.esc.co.in*

Keshav Pareek
Chief financial Officer
Esconet Technologies Limited
Address: *D – 147, Okhla Industrial Area*
Phase – 1, New Delhi - 110020
Email*: cfo@esc.co.in*
Website*: www.esc.co.in*

SAFE HARBOR STATEMENT:

This press release contains certain forward-looking statements concerning the future business prospects and financial performance of Esconet Technologies Limited. These statements are based on current expectations, forecasts, and assumptions regarding future events and business conditions and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied. Factors that may affect actual results include, but are not limited to, changes in economic conditions, regulatory developments, technology disruptions, competitive intensity, project execution risks, customer spending patterns, geopolitical developments, supply chain disruptions, and other business uncertainties. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.