ESCONET TECHNOLOGIES REPORTS STRONG FINANCIAL PERFORMANCE IN FY 2024-25

Strategic Expansion and Resilient Growth Propel Esconet to New Heights

PRESS/MEDIA RELEASE

ESCONET TECHNOLOGIES LIMITED REPORTS STRONG FINANCIAL PERFORMANCE FOR FY 2024-25, MARKING A YEAR OF ROBUST GROWTH AND STRATEGIC EXPANSION

New Delhi, India, [28TH May 2025] – Esconet Technologies Limited (NSE: ESCONET), a leading Indian homegrown provider of integrated Information Technology (IT) solutions, system integration services, and managed digital services, is pleased to announce its audited financial results for the fiscal year ending 31st March 2025. Despite the complex macroeconomic environment, geopolitical uncertainties, and regulatory challenges, the company demonstrated impressive resilience by achieving strong growth across key financial and operational indicators. This performance underscores Esconet's strategic focus on innovation, expansion into high-growth sectors, and disciplined execution of its long-term vision.

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS HALF YEARLY AND ANNUAL:

(all numbers in Rupees' Lakhs except margins and EPS)

Particulars	H2 FY 24-25	H1 FY 24-25	YOY % *	FY 2024-2025	FY 2023-2024	YOY %
	Half Yearly Basis			Annual Basis		
Total Revenue	*126,15.12*	107,09.97	17.75%	233,25.09	140,79.75	65.59%
Operating Revenue	*123,37.57*	106,92.24	15.37%	230,29.80	140,54.99	63.87%
EBIDTA	*845.66*	459.22	84.16%	1,304.88	1,021.76	27.72%
EBIDTA Margin %	**6.70%**	**4.29%**	56.42%	**5.59%**	**7.26%**	-23.00%
PBT	*712.39*	349.75	103.70%	1,062.14	744.34	42.66%
PBT margin	***5.64%***	**3.27%**	72.47%	**4.55%**	**5.28%**	-13.81%
PAT	***531.00***	**268.79**	97.59%	**799.79**	**543.05**	47.27%
PAT margin	***4.21%***	**2.51%**	67.73%	**3.43%**	**3.86%**	-11.14%
EPS (Rs.)	***4.06***	**2.17**	87.56%	**6.11**	**5.84**	4.63%

** Half-year-over-half-year Growth*

⚠ RATIONAL BEHIND THE DECREASED MARGINS YET SIGNIFICANT GROWTH (FY 2024–25):

Despite robust revenue growth in FY 2024–25, the decline in overall profit margins is primarily the result of several strategic investments and external challenges that affected cost structures, particularly during the first half of the year (H1 FY25). One of the key factors was the **impact of the General Elections** held in H1 FY25, which led to project delays and temporary revenue deferrals from government clients — a segment that contributes significantly to the company's business. This disruption adversely affected margin performance early in the fiscal year and had a residual impact on full-year profitability.

In addition, **Esconet undertook a series of expansion initiatives** aimed at strengthening its long-term capabilities. A notable contributor to the rise in operational costs was the **expansion of manpower**. The company strategically scaled up its workforce by hiring skilled professionals across customer support, project execution, and research and development functions. Although this resulted in higher employee benefit expenses in the short term, it was a necessary step to improve service delivery, enhance responsiveness, and support the anticipated growth in demand.

Further, **significant capital was allocated toward upgrading the company's infrastructure**. This included the **upgradation of assembly lines and the installation of a modern in-house testing facility**, which are essential for maintaining high product quality and operational efficiency. The establishment of a **new warehouse facility** also contributed to higher expenses, as it was implemented to streamline inventory handling, support logistical scalability, and improve turnaround times for customers.

While these strategic investments temporarily compressed margins in FY 2024–25, especially due to their full cost impact being reflected during the year, they are expected to deliver substantial operational and financial benefits in the medium to long term. These initiatives not only position Esconet for sustainable growth but also enhance its competitive advantage in a rapidly evolving technology-driven market.

CONSOLIDATED FINANCIAL HIGHLIGHTS:

H1 – FY 2024-25 VS H2- FY 2024-25	FY 2024-25 VS FY 2023-24
➢ **Revenue from Operations** increased by **15.38%** in H2 FY 24-25 compared to H1 FY 24-25. ➢ **Profit Before Tax (PBT)** more than doubled with a remarkable increase of **103.73%.** ➢ **Profit After Tax (PAT)** nearly doubled, increasing by **97.57%.** ➢ **Earnings Per Share (EPS)** also improved significantly, up **87.56%** compared to the previous half.	➢ **Revenue from Operations** grew strongly by **63.87%**, driven by increased sales and market expansion. ➢ **EBITDA** increased by **27.72%**, reflecting improved operational efficiency. ➢ **Profit Before Tax (PBT)** and **Profit After Tax (PAT)** both showed solid growth, up **42.66%** and **47.27%** respectively. ➢ **Earnings Per Share (EPS)** improved by **4.63%.**

STANDALONE FINANCIAL HIGHLIGHTS:

H1 – FY 2024-25 VS H2- FY 2024-25	FY 2024-25 VS FY 2023-24
➢ **Revenue from Operations** increased to ₹12,050.38 lakhs in H2 FY 24-25 from ₹10,459.59 lakhs in H1 FY 24-25. ➢ **Total Income** rose by approximately 17.6% half-on-half to ₹12,322.63 lakhs. ➢ **Total Expenses** also increased moderately to ₹11,694.47 lakhs. ➢ **Profit Before Tax (PBT)** more than doubled to ₹628.16 lakhs compared to ₹284.64 lakhs in the previous half. ➢ **Profit After Tax (PAT)** rose to ₹468.56 lakhs from ₹220.42 lakhs, demonstrating strong profitability growth. ➢ **Earnings Per Share (EPS)** increased to ₹3.58 from ₹2.30.	➢ **Revenue from Operations** increased significantly by 63.74%, reaching ₹22,509.98 lakhs compared to ₹13,747.50 lakhs in the previous year. ➢ **Total Income** grew by 65.55% to ₹22,799.96 lakhs. ➢ **Total Expenses** increased to ₹21,887.16 lakhs from ₹13,044.24 lakhs, driven primarily by higher purchases and other expenses. ➢ **Profit Before Tax (PBT)** increased by 25.47%, reaching ₹912.80 lakhs. ➢ **Profit After Tax (PAT)** rose to ₹688.98 lakhs from ₹529.95 lakhs, an increase of 30.05%. ➢ **Earnings Per Share (EPS)** declined slightly on a basic and diluted basis, reflecting changes in equity structure or other factors.

KEY HIGHLIGHTS FOR WHOLLY OWNED SUBSIDIARY (ZEACLOUD SERVICES PVT LTD):

- **Revenue from Operations** rose significantly to ₹519.83 lakhs in FY 2024–25, up from ₹307.49 lakhs in FY 2023–24 — a growth of 68.96%.
- **Total Expenses** rose to ₹375.79 lakhs (previous year: ₹291.17 lakhs).
- **Profit Before Tax (PBT)** jumped to ₹149.34 lakhs, a 786% increase from ₹16.86 lakhs in the previous year.
- **Total Tax Expense** amounted to ₹38.61 lakhs (Current Tax: ₹30.39 lakhs, Deferred Tax: ₹8.22 lakhs), compared to ₹3.76 lakhs last year.
- **Profit After Tax (PAT)** surged to ₹110.74 lakhs, compared to ₹13.11 lakhs in FY 2023–24 — a growth of 745.47%.
- **EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization)** rose to ₹235.47 lakhs in FY 2024–25, compared to ₹50.84 lakhs in FY 2023–24 — an increase of 363.15%.
- **EBITDA Margin** improved significantly to 44.84% in FY 2024–25, up from 16.50% in FY 2023–24.
- **PBT Margin** (PBT as a % of Total Income) rose to 28.43% in FY 2024–25, up from 5.48% in the previous year.
- **PAT Margin** (PAT as a % of Total Income) strengthened to 21.09% in FY 2024–25, compared to 4.26% in FY 2023–24.

MANAGEMENT COMMENTARY:

Mr. Santosh Kumar Agrawal, Managing Director of Esconet Technologies Limited, expressed his confidence and optimism regarding the company's outstanding performance in FY 2024-25, highlighting both the remarkable growth and the solid foundation laid for future expansion:

We are proud to announce a year of exceptional financial and operational achievements, characterized by sound, robust growth across both our standalone and consolidated entities. This strong performance underscores the effectiveness of our strategic initiatives, disciplined execution, and the unwavering dedication of our team. The impressive results in the second half of the year further validate our ability to navigate external market challenges with agility, resilience, and strategic foresight."

"The acquisition of a majority stake in Fluidech IT Services Pvt. Ltd. In April 2025 represents a pivotal milestone in our journey to becoming a comprehensive and integrated IT solutions provider, especially within the cybersecurity domain. This strategic move not only broadens our service portfolio but also positions us to capitalize on the surging demand for cybersecurity solutions driven by increasing digital transformation and regulatory requirements across sectors."

"Our financial strength has been reinforced by the recent upgrade of our long-term credit rating to CRISIL BBB- with a stable outlook, a testament to our disciplined financial management, healthy balance sheet, and consistent cash flow generation. Additionally, the successful capital raise through a preferential allotment has equipped us with the necessary resources to further invest in our infrastructure, technological capabilities, and innovative solutions, ensuring we remain at the forefront of industry advancements."

"Looking ahead, we are strategically focused on expanding our client base by forging new partnerships with OEMs and exploring high-growth sectors. Our ongoing efforts to diversify revenue streams and enrich our product offerings with innovative, value-added solutions are aimed at building long-term customer relationships, increasing market penetration, and establishing Esconet as a trusted, end-to-end IT solutions provider across multiple industries."

"We remain committed to investing in our infrastructure, enhancing our technological capabilities, and exploring new market opportunities to sustain and accelerate our growth trajectory. Our goal is to deliver comprehensive, secure, and innovative solutions that meet the evolving needs of our clients in an increasingly digital and interconnected world."

"I would like to extend my sincere appreciation to our talented and dedicated team whose hard work, resilience, and commitment have been instrumental in achieving these milestones. I also thank our stakeholders for their unwavering trust and support.

Together, we are well-positioned to unlock new opportunities and deliver sustained value, reinforcing Esconet's reputation as a trusted partner in the IT solutions ecosystem."

IMPACT OF EXTERNAL FACTORS:

Over the past year, external factors such as election-related disruptions, policy shifts, and macroeconomic uncertainties temporarily impacted certain segments of Esconet's business, particularly government projects.

The election cycle often introduces delays, as policy priorities and decision-making processes become uncertain, leading to slower project approvals and execution timelines. Additionally, macroeconomic challenges like currency fluctuations and inflationary pressures created a cautious environment, affecting client budgets and project schedules.

Despite these hurdles, Esconet's diversified client base across various industries and regions helped mitigate risks and maintain business stability. Our strategic investments in technology and agile execution strategies allowed us to adapt quickly to changing conditions, ensuring continued progress and growth.

Looking ahead, we remain cautiously optimistic about the upcoming year. We expect these external disruptions to diminish, paving the way for a rebound in project activity, especially within government and large enterprise sectors. With our strong pipeline and adaptable approach, we are confident in our ability to sustain growth and seize new opportunities.

KEY BUSINESS DEVELOPMENTS

- **ACQUISITION OF MAJORITY STAKE (70%) FLUIDECH IT SERVICES PVT. LTD.**

In April 2025, Esconet Technologies Limited successfully completed a strategic acquisition of a 70% stake in **Fluidech IT Services Private Limited (FISPL),** a leading cybersecurity and IT consulting firm.

This strategic acquisition enhances Esconet's capabilities in Governance, Risk, and Compliance (GRC) services and cybersecurity solutions, aligning with the company's vision to become a comprehensive IT solutions provider. This significant milestone aligns with our long-term vision to strengthen our capabilities in cybersecurity, IT infrastructure, and enterprise security solutions.

This acquisition was executed through a combination of share purchases, Share Swap arrangement and issuance of new equity, reflecting a comprehensive approach to integrate Fluidech into the Esconet group. Post-acquisition, FISPL now operates as a subsidiary of Esconet, positioning us as a comprehensive, security-focused IT solutions provider.

It is notably the first organization accredited by the **National Critical Information Infrastructure Protection Centre (NCIIPC)**, underscoring its credibility and expertise in critical cybersecurity domains. This acquisition complements our existing offerings, particularly integrating seamlessly with our Cloud subsidiary, ZeaCloud Services. It enables us to deliver end-to-end cybersecurity solutions to our enterprise clients, enhancing our value proposition in the rapidly evolving IT security landscape.

This strategic acquisition enhances our technological edge, expands our service offerings, and solidifies our position in the enterprise cybersecurity market. We are confident that Fluidech's integration will unlock substantial value for our stakeholders and accelerate our growth trajectory in the high-potential cybersecurity domain.

- **FURTHER CAPITAL INFUSION THROUGH PREFERENTIAL ALLOTMENT :**

During the fiscal year under review, Esconet Technologies Limited successfully executed a strategic capital raising initiative by securing a total of ₹32.69 crore through a preferential allotment of equity shares and warrants. Specifically, the company allotted 7,34,000 equity shares and 2,13,600 convertible warrants to qualified institutional investors and strategic partners, in accordance with applicable regulatory guidelines and market norms.

This infusion of capital marks a significant milestone in strengthening Esconet's financial foundation. The proceeds from this issuance will be primarily allocated towards enhancing the company's infrastructure, investing in advanced technologies, expanding research and development capabilities including that of Zeacloud Services Private Limited. These initiatives are aimed at accelerating the company's growth trajectory, increasing operational capacity, and fostering innovation in line with evolving industry trends.

The successful completion of this preferential allotment underscores the confidence of our investors and stakeholders in Esconet's business model, strategic direction, and growth prospects. It also provides us with the financial flexibility to capitalize on emerging market opportunities, enhance our competitive positioning, and deliver sustainable value to our shareholders.

Overall, this capital infusion reinforces our commitment to disciplined financial management and strategic investment, ensuring that Esconet remains well-equipped to achieve its long-term vision of becoming a leading integrated IT solutions provider in India and beyond.

- **EXPANSION OF INFRASTRUCTURE**

In line with our strategic growth objectives and commitment to operational excellence, Esconet Technologies Limited has undertaken significant investments to expand and upgrade its infrastructure during the reporting period. These initiatives are designed to bolster our manufacturing capabilities, improve operational efficiency, and better serve the increasing demand for our product-based solutions.

One of the key components of this infrastructure expansion has been the establishment of a state-of-the-art Warehouse premises taken on rent for storing the Goods and Products. This new place leverages to optimize inventory control, streamline supply chain logistics, and ensure timely and accurate order fulfilment and is expected to reduce lead times, minimize stock discrepancies, and enhance overall supply chain responsiveness, thereby supporting our customer service commitments and scaling our operations efficiently.

Additionally, we have invested substantially in the upgradation of our assembly line and testing facilities. The modernization of these critical manufacturing processes includes the adoption of cutting-edge automation equipment, improved ergonomics, and enhanced quality control measures. These upgrades are intended to increase production throughput, reduce operational costs, and ensure that our products meet the highest quality standards. The upgraded assembly line enables us to handle larger volumes with greater precision, while the enhanced testing facilities ensure comprehensive quality assurance, reliability, and compliance with industry standards.

These infrastructure investments are strategic in nature, aimed at creating a more agile and resilient manufacturing environment capable of meeting the evolving needs of our clients and markets. They also position Esconet to capitalize on new growth opportunities by reducing production cycle times, increasing scalability, and maintaining high standards of quality and efficiency.

ABOUT ESCONET TECHNOLOGIES LIMITED:

The Company was Incorporated in 2012 as Esconet Technologies Private Limited and later on Converted into Public Company in 2023 as Esconet Technologies Limited, a leading system integrator in the IT infrastructure, cloud computing, managed services, and data security sectors. This ISO 9001, ISO 27001, ISO 20000-1, and ISO 14001 certified company has grown from a hardware and software vendor to a trusted advisor, manufacturer, integrator, and service provider for numerous private and public sector organisations. Esconet is well-equipped to address the server, storage, network, security, virtualisation and data protection requirements of SMEs, large enterprises, and public sector customers.

For more information, please visit: https://www.esc.co.in/

INVESTOR CONTACT:

Mr. Rajnish Pandey	**Mr. Keshav Pareek**
Company Secretary & Compliance Officer	Chief Financial Officer
Tel: 011- 42288700	Tel: 011- 42288700
E-mail: cs@esc.co.in	E-mail: cfo@esc.co.in