



## **ESCO Announces Acquisition of Navy Submarine Supplier**

July 9, 2019

St. Louis, July 09, 2019 (GLOBE NEWSWIRE) -- ESCO Technologies Inc. (NYSE: ESE) today announced that it has acquired Globe Composite Solutions, LLC (Globe), a well-established, vertically integrated supplier of mission-critical composite-based products and solutions for navy, defense, and industrial customers.

Globe works directly with the U.S. Navy and also through prime contractors to cost-effectively and efficiently produce parts that meet rigid military-grade specifications through its internally developed expertise. Its products are utilized for acoustic, signature-reduction, communications, sealing, vibration-reducing, surface control, and hydrodynamic-related applications.

Significant capital investments in recent years have enabled the company to secure multi-year contracts to supply stealth components on the growing fleet of U.S. Navy submarines. As an industry leader, the company is solidly positioned for future growth.

Globe supplies over 140 different parts on the Virginia and Columbia class submarines, including special hull treatments (SHT), large aperture bow (LAB) array acoustic panels, missile hatch gaskets, transducer covers, propulsor fairings and propeller shaft snubbers.

The company operates a state-of-the-art 72,000 square foot research, design, machining and production facility in Stoughton, Massachusetts (near Boston) along with a 30,000 square foot logistics support facility located nearby. The facilities are located less than 90 minutes from the three major navy shipyards.

Globe, which will become part of ESCO's Filtration operating segment, projects 2019 calendar year sales of approximately \$37 million with operating margins consistent with the segment in total.

Vic Richey, ESCO's Chairman and Chief Executive Officer, commented, "I'm excited to welcome the outstanding and dedicated employees of Globe to our team. We are continually looking to expand our product offerings and gain more content on our existing submarine and defense-related platforms, and by adding the proven capabilities of Globe to our existing product portfolio, we've created an additional avenue for meaningful growth across our existing customer base.

"Globe produces a wide range of mission-critical products by employing proprietary manufacturing processes. Their level of design, development and manufacturing excellence has resulted in the company being recognized by its customers as a preferred supplier, which positions the company for continued growth with current and future product requirements.

"The U.S. Navy must continually increase the stealth capabilities of its submarines in order to reduce detection of its fleet through the deployment of its Acoustics Superiority (AS) program. The goal of this program is to insert this technology into new construction as well as to add it to existing boats already in service. Globe's R&D efforts focused on stealth technologies led to a multi-year award to produce SHT materials for the Block V and VI series of Virginia Class submarines. The U.S. Navy is also planning to back-fit certain existing subs with this technology and equip the new Columbia Class with this protection when they enter production."

Carl Forsythe, Chief Executive Officer of Globe, commented, "I'm very pleased to have Globe become a part of ESCO, and I'm certain that we will complement their growth strategy surrounding its investments in the growing submarine and defense markets. Adding Globe to the solid capabilities and strong market presence of VACCO and Westland will create additional opportunities to further strengthen our joint customer relationships.

"Combining with ESCO is a natural fit, given our shared philosophies and values. Both companies possess a skilled and dedicated workforce, high degree of specialization, a history of investing ahead of customer demand, and a relentless approach to innovation which drives customer loyalty, deeper relationships, and creates an opportunity to secure recurring revenue and to expand our operations as new opportunities arise."

The seller was represented by Nutter McClennen & Fish LLP as sole legal advisor and Houlihan Lokey acted as financial advisor on the transaction.

### **Forward-Looking Statement**

Statements in this release regarding sales, margins, growth and benefits resulting from the acquisition, and other statements which are not strictly historical are "forward-looking" statements within the meaning of the safe harbor provisions of the Federal Securities Laws. Investors are cautioned that such statements are only predictions and speak only as of the date of this release, and the Company undertakes no duty to update them except as may be required by applicable laws or regulations. The Company's actual results in the future may differ materially from those projected in the forward-looking statements. Factors that could cause actual results or events to differ materially from those indicated by such forward-looking statements, include: customer demand, technical issues, success of integration efforts, the factors described in Item 1A, Risk Factors, of the Company's annual report on Form 10-K for the year ended September 30, 2018.

ESCO, headquartered in St. Louis: Manufactures highly-engineered filtration and fluid control products for the aviation, space and process markets worldwide; is the industry leader in RF shielding and EMC test products; provides diagnostic instruments, software and services for the benefit of the electric utility industry and industrial power users; and, produces custom thermoformed packaging, pulp based packaging, and specialty products for medical and commercial markets. Further information regarding ESCO and its subsidiaries is available on the Company's website at <https://www.escotechnologies.com/>.

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