ESCO Announces Acquisition of Two Companies for the Utility Solutions Group

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- Previously Announced Altanova Deal Closed on July 29, 2021 - Phenix Technologies, Inc. Acquired on August 9, 2021 -

St. Louis, Aug. 09, 2021 (GLOBE NEWSWIRE) -- ESCO Technologies Inc. (NYSE: ESE) today announced that it completed the acquisition of I.S.A Altanova Group S.R.L. (Altanova) on July 29, 2021 and that it has acquired the assets of Phenix Technologies, Inc. (Phenix). These are two leading assets in the power and utility markets. These companies will combine with ESCO's existing Utility Solutions Group (USG) business to create a stronger and more global platform for growth. For more information on the history of Altanova and their product portfolio and global presence, please see our press release dated May 20, 2021.

Phenix is a leading designer and manufacturer of stationary and portable high voltage, high current, high power test systems and components and solutions supporting the electric industry, high voltage test laboratories, and field service organizations world-wide (www.phenixtech.com).

Phenix's deep-rooted customer relationships, in-house engineering knowledge, software application expertise, and ongoing technology developments have kept them at the forefront of the electric utility test systems' industry for over 40 years.

Phenix carries a strong brand name with industry-wide recognition along with a reputation for providing world-class customer service. Its wide breadth of product offerings include resonant, transformer, and motor test systems, AC and DC dielectric high potential test systems, and cable testing equipment.

Headquartered in Accident, Maryland, Phenix provides products and services in more than 110 countries, with nearly 45 percent of its revenues generated outside of North America, which creates an additional international growth platform for ESCO's Utility Solutions Group (USG) and supplements USG's existing products and solutions. This acquisition, coupled with the recent acquisition of Altanova, positions ESCO to accelerate its growth on a global scale as power infrastructure around the world continues to be developed and upgraded.

Phenix, which will become part of the USG operating segment, has annual sales of approximately $25 million with operating margins in the high teens.

Vic Richey, ESCO's Chairman and Chief Executive Officer, commented, "I'm excited to welcome the dedicated employees of Phenix, and I look forward to working with the management team who has worked diligently and successfully over the years to grow this outstanding company into what it is today.

"Phenix has developed a strong customer base and operates in a highly defensible market with strong barriers to entry and high switching costs, which was an attractive attribute of this acquisition. They are one of a very few independent players who have a global scale in this market, and their global sales presence creates a substantial opportunity for growth internationally. Adding the proven capabilities of Phenix and Altanova to our existing portfolio will expand our global reach and create additional avenues for meaningful growth."

Bryan Sayler, President of Doble and Group Executive of the USG segment, commented, "We are continually looking to expand our product offerings and gain more content across our USG platforms. Adding Phenix, along with Altanova, certainly satisfies that strategic perspective as both companies are a natural fit for ESCO. As USG grows in size, I'm confident that we will deepen our existing customer relationships across the global utility landscape and create new opportunities to secure recurring revenue and expand our profitability. I look forward to working with our new partners as we continue to create shareholder value for ESCO's stakeholders."

Forward-Looking Statement

Statements in this release regarding future growth, growth strategy, expectations, beliefs and benefits resulting from the acquisitions, 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, and the other factors described in Item 1A, Risk Factors, of the Company's annual report on Form 10-K for the year ended September 30, 2020.

ESCO, headquartered in St. Louis, Missouri: Manufactures highly-engineered filtration and fluid control products for the aviation, Navy, space and process markets worldwide, as well as composite-based products and solutions for Navy, defense and industrial customers; is the industry leader in RF shielding and EMC test products; and provides diagnostic instruments, software and services for the benefit of industrial power users and the electric utility and renewable energy industries. Further information regarding ESCO and its subsidiaries is available on the Company's website at www.escotechnologies.com.

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