ESCO Reports Fourth Quarter and Fiscal 2026 Results

11/19/26

- Q4 Sales increase 9% to $384 Million - Q4 Entered Orders increase 22% to $392 Million - Q4 GAAP EPS from Continuing Operations increases 14% to $1.97 - Q4 Adjusted EPS from Continuing Operations increases 15% to $2.67 - FY 2026 Sales increase 21% to $1.3 Billion - FY 2026 Entered Orders increase 11% to $1.7 Billion - FY 2026 GAAP EPS from Continuing Operations increases 25% to $5.63 - FY 2026 Adjusted EPS from Continuing Operations increases 40% to $8.42 -

St. Louis, Nov. 19, 2026 (GLOBE NEWSWIRE) -- ESCO Technologies Inc. (NYSE: ESE) (ESCO, or the Company) today reported its operating results for the fourth quarter and fiscal year ended September 30, 2026 (Q4 2026 and FY 2026, respectively).

Operating Highlights

- Q4 2026 Sales increased $31 million (9 percent) to $384 million compared to $353 million in Q4 2025. All sales growth in Q4 2026 was organic, as the acquisition of ESCO Maritime Solutions (Maritime) was completed in Q3 2025.
- FY 2026 Sales increased $227 million (21 percent) to $1.3 billion compared to $1.1 billion in FY 2025. Organic sales increased $106 million (10 percent) and the Maritime acquisition added $121 million (11 percent) of inorganic revenue growth for the full year.
- Q4 2026 GAAP EPS from Continuing Operations increased 14 percent to $1.97 per share compared to $1.73 per share in Q4 2025. Q4 2026 Adjusted EPS from Continuing Operations increased 15 percent to $2.67 per share compared to $2.32 per share in Q4 2025.
- FY 2026 GAAP EPS from Continuing Operations increased 25 percent to $5.63 per share compared to $4.49 per share in FY 2025. FY 2026 Adjusted EPS from Continuing Operations increased 40 percent to $8.42 per share compared to $6.03 per share in FY 2025.
- Q4 2026 Entered Orders increased $71 million (22 percent) to $392 million (book-to-bill of 1.02x).
- FY 2026 Entered Orders increased $172 million (11 percent) to $1.7 billion (book-to-bill of 1.31x), resulting in record year-end backlog of $1.5 billion. Organic orders increased $232 million (20 percent).
- Net Cash provided by Operating Activities from Continuing Operations was $102 million in Q4 2026 and $296 million for FY 2026 (an increase of $95 million compared to FY 2025).

Bryan Sayler, Chief Executive Officer and President, commented, “ESCO closed fiscal 2026 with strong performance. 2026 has been a very exciting year for ESCO and our financial results have resulted in record orders, sales, adjusted earnings and operating cash flow.

“Our employees’ hard work, expertise, and teamwork drove operational improvements and made this year’s achievements possible, building a strong foundation for continued success. Looking ahead, the addition of Megger, our record backlog, and strong positions in markets with durable long-term growth drivers reinforce our confidence in ESCO’s future.”

Segment Performance

Aerospace & Defense (A&D)

- Q4 2026 sales increased $19.8 million (12 percent) to $190.2 million from $170.4 million in Q4 2025. Sales growth in the quarter was driven by strength in Navy and commercial aerospace. FY 2026 sales increased $174.3 million (36 percent) to $652.5 million from $478.2 million in FY 2025. Organic sales increased $53.2 million (12 percent) and Maritime added $121.1 million of inorganic revenue growth for the year. Sales growth for the year was driven by strength in Navy and commercial and military aerospace.
- Q4 2026 EBIT increased $9.5 million to $56.4 million from $46.9 million in Q4 2025. Adjusted EBIT increased $7.7 million in Q4 2026 to $56.4 million (29.7 percent margin) from $48.7 million (28.6 percent margin) in Q4 2025. FY 2026 EBIT increased $62.6 million to $187.7 million from $125.1 million in FY 2025. FY 2026 Adjusted EBIT increased $58.4 million to $188.1 million (28.8 percent margin) from $129.7 million (27.1 percent margin) in FY 2025. The increase in Adjusted EBIT was driven by leverage on higher volume and price increases, partially offset by mix and inflationary pressures for both the quarter and the year.
- Q4 2026 entered orders increased $51.7 million (36 percent) to $193.6 million (book-to-bill of 1.02). Orders strength in the quarter was driven by strong Navy and military aerospace. FY 2026 entered orders increased $59.8 million (7 percent) to $955.4 million (book-to-bill of 1.46), resulting in record year-end backlog of $1.1 billion. Organic orders increased $119.4 million (24.8 percent). Orders strength in the year was driven by strong Navy, commercial aerospace and military aerospace.

Utility Solutions Group (USG)

- Q4 2026 sales increased $3.8 million (3 percent) to $114.0 million from $110.2 million in Q4 2025. Doble sales increased by $7.2 million (8 percent) and NRG sales decreased by $3.4 million (20 percent). Sales growth in the quarter was primarily driven by higher condition monitoring and services revenue at Doble, partially offset by lower renewables revenue at NRG. FY 2026 sales increased $15.0 million (4 percent) to $395.0 million from $380.0 million in FY 2025. Doble sales increased $32.7 million (10 percent) and NRG sales decreased $17.7 million (27 percent) for the year. Sales growth for the year was driven by broad strength across all product lines at Doble, partially offset by lower renewables revenue at NRG.
- Q4 2026 EBIT decreased $0.7 million to $31.2 million from $31.9 million in Q4 2025. Adjusted EBIT decreased $0.6 million in Q4 2026 to $31.4 million (27.5 percent margin) from $32.0 million (29.1 percent margin) in Q4 2025. The decrease in Adjusted EBIT in the quarter was driven by deleverage on lower volume at NRG, inflationary pressures, and mix, partially offset by price increases and leverage on higher volume at Doble. FY 2026 EBIT increased $0.5 million to $95.2 million from $94.7 million in FY 2025. FY 2026 Adjusted EBIT increased $1.1 million to $96.3 million (24.4 percent margin) from $95.2 million (25.0 percent margin) in FY 2025. The increase in Adjusted EBIT for the year was driven by leverage on higher volume at Doble and price increases, partially offset by deleverage on lower volume at NRG and inflationary pressures.
- Q4 2026 entered orders increased $11.8 million (10 percent) to $128.0 million (book-to-bill of 1.12). Doble orders increased $11.6 million (11 percent) to $112.9 million and NRG orders increased $0.2 million (1 percent) to $15.1 million compared to Q4 2025. FY 2026 entered orders increased $51.4 million (13 percent) to $454.9 million (book-to-bill of 1.15) resulting in year-end backlog of $203.4 million. Doble orders increased $64.3 million (19 percent) and NRG orders decreased $12.9 million (20 percent) for the year. For both the quarter and the year, orders were driven by broad strength across Doble's product lines as electric utilities invested in grid maintenance and expansion, partially offset by lower renewables related to the expiration of U.S. tax credits.
- As previously disclosed, the Megger transaction closed on October 1, 2026. Integration planning began during the regulatory approval process, and execution of those plans and cost reduction initiatives is now under way.

RF Test & Measurement (Test)

- Q4 2026 sales increased $7.7 million (11 percent) to $79.8 million from $72.1 million in Q4 2025. FY 2026 sales increased $37.3 million (16 percent) to $274.5 million from $237.2 million in FY 2025. Sales growth in both the quarter and the year was primarily driven by military and automotive projects, filters for U.S. government data centers and secure facilities, and industrial and medical shielding.
- Q4 2026 EBIT increased $0.6 million to $13.2 million from $12.6 million in Q4 2025. Q4 2026 Adjusted EBIT increased $1.3 million to $13.9 million (17.5 percent margin) from $12.6 million (17.5 percent margin) in Q4 2025. FY 2026 EBIT increased $6.8 million to $40.9 million from $34.1 million in FY 2025. FY 2026 Adjusted EBIT increased $9.1 million to $43.7 million (15.9 percent margin) from $34.6 million (14.6 percent margin) in FY 2025. The increase in Adjusted EBIT for both the quarter and the year was driven by leverage on higher volume and price increases, partially offset by inflationary pressures.
- Q4 2026 entered orders increased $7.9 million (13 percent) to $70.7 million. Orders strength in the quarter was driven by a large automotive order and several military projects, partially offset by lower wireless and medical shielding. FY 2026 entered orders increased $61.2 million (23 percent) to a record $326.9 million (book-to-bill of 1.19) resulting in record year-end backlog of $239.6 million. Orders strength for the year was driven by military and automotive projects, filters for U.S. government data centers and secure facilities, and industrial shielding.

Business Outlook – FY 2027

Expectations for growth in FY 2027 compared to FY 2026:

- Net sales are expected to grow 55 to 58 percent to a range of $2.05 to $2.09 billion on a consolidated basis, with A&D growing 7 to 9 percent, USG growing 170 to 175 percent (7 to 9 percent organic growth plus Megger revenue of $640 to $660 million), and Test growing 5 to 7 percent.
- Adjusted EBIT is expected to increase approximately 51 to 55 percent with Adjusted EBIT margins of 21.2 to 21.8 percent of sales.
- Adjusted EBITDA is expected to increase approximately 53 to 57 percent with Adjusted EBITDA margins of 24.2 to 24.8 percent of sales.
- Interest is expected to be in the range of $61 to $63 million in FY 2027.
- The effective income tax rate is expected to be approximately 22.5 percent in FY 2027.
- FY 2027 Adjusted EPS is expected to increase 12 to 15 percent to a range of $9.40 to $9.70 per share.
- Q1 2027 Adjusted EPS is expected to increase 13 to 19 percent compared to Q1 2026 and be in the range of $1.85 - $1.95 per share.

- Consistent with prior years, revenues and Adjusted EPS are expected to grow sequentially throughout the year.

Dividend Payment
The next quarterly cash dividend of $0.08 per share will be paid on January 19, 2027 to stockholders of record on January 4, 2027.

2027 Annual Meeting
The 2027 Annual Meeting of the Company's shareholders will be held on January 29, 2027.

Conference Call
The Company will host a conference call today, November 19, at 4:00 p.m. Central Time, to discuss the Company's Q4 2026 results. A live audio webcast and an accompanying slide presentation will be available in the Investor Center of ESCO's website. Participants may also access the webcast using this registration link. For those unable to participate, a webcast replay will be available after the call in the Investor Center of ESCO's website.

VACCO Divestiture
During Q4 2025, the Company completed the sale of VACCO Industries. The VACCO operating results are presented as Discontinued Operations in the attached tables and are excluded from the discussion of the Company's results from Continuing Operations for the comparable periods.

Forward-Looking Statements
Statements in this press release regarding Management's intentions, expectations and guidance for fiscal 2027, including restructuring and cost reduction actions, sales, orders, revenues, margin, earnings, Adjusted EPS, acquisition related amortization, and any other statements which are not strictly historical, are "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. 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 due to risks and uncertainties that exist in the Company's operations and business environment including but not limited to those described in Item 1A, "Risk Factors", of the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2025 and the following: the impacts of climate change and related regulation of greenhouse gases; the impacts of labor disputes, civil disorder, wars, including the conflicts involving Iran and Lebanon, elections, political changes, tariffs and trade disputes, terrorist activities, cyberattacks or natural disasters on the Company's operations and those of the Company's customers and suppliers; disruptions in manufacturing or delivery arrangements due to shortages or unavailability of materials or components; restrictions or closures of critical supply routes such as the Strait of Hormuz; other supply chain disruptions; inability to access work sites; the timing and content of future contract awards or customer orders; the timely appropriation, allocation and availability of Government funds; the termination for convenience of Government and other customer contracts or orders; weakening of economic conditions in served markets; the success of the Company's competitors; changes in customer demands or customer insolvencies; competition; intellectual property rights; technical difficulties or data breaches; the availability of acquisitions; delivery delays or defaults by customers; performance issues with key customers, suppliers and subcontractors; material changes in the costs and availability of certain raw materials; material changes in the cost of credit; changes in laws and regulations including but not limited to changes in accounting standards and taxation; changes in interest, inflation and employment rates; costs relating to environmental matters arising from current or former facilities; uncertainty regarding the ultimate resolution of current disputes, claims, litigation or arbitration; and the integration and performance of acquired businesses.

Non-GAAP Financial Measures
The financial measures EBIT, Adjusted EBIT, EBITDA, Adjusted EBITDA, and Adjusted EPS are presented in this press release. The Company defines "EBIT" as earnings before interest and taxes, "EBITDA" as earnings before interest, taxes, depreciation and amortization, "Adjusted EBIT" and "Adjusted EBITDA" as excluding the net impact of the items described in the attached Reconciliation of Non-GAAP Financial Measures, and "Adjusted EPS" as GAAP earnings per share excluding the net impact of the items described and reconciled in the attached Reconciliation of Non-GAAP Financial Measures.

EBIT, Adjusted EBIT, EBITDA, Adjusted EBITDA, and Adjusted EPS are not recognized in accordance with U.S. generally accepted accounting principles (GAAP). However, Management believes EBIT, Adjusted EBIT, EBITDA, and Adjusted EBITDA are useful in assessing the operational profitability of the Company's business segments because they exclude interest, taxes, depreciation, and amortization, which are generally accounted for across the entire Company on a consolidated basis. EBIT is also one of the measures used by Management in determining resource allocations within the Company as well as incentive compensation. The presentation of EBIT, Adjusted EBIT, EBITDA, Adjusted EBITDA, and Adjusted EPS provides important supplemental information to investors by facilitating comparisons with other companies, many of which use similar non-GAAP financial measures to supplement their GAAP results. The use of non-GAAP financial measures is not intended to replace any measures of performance determined in accordance with GAAP.

About ESCO
ESCO Technologies is a global provider of highly engineered products and solutions serving diverse end-markets. It manufactures filtration and fluid control products, advanced composites, as well as signature and power management solutions for aviation, Navy, and industrial customers. ESCO is an industry leader in designing and manufacturing RF test and measurement products and systems; and provides diagnostic instruments, software and services to industrial power users and the electric utility and renewable energy industries. Headquartered in St. Louis, Missouri, ESCO and its subsidiaries have offices and manufacturing facilities worldwide. For more information on ESCO and its subsidiaries, visit ESCO's website at www.escotechnologies.com.

ESCO TECHNOLOGIES INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations (Unaudited)
(Dollars in thousands, except per share amounts)

Three Months Ended September 30, 2026	Three Months Ended September 30, 2025

Net Sales	$	383,994		352,674	
Cost and Expenses:					
Cost of sales		226,596		203,235	
Selling, general and administrative expenses		64,945		63,333	
Amortization of intangible assets		20,286		20,582	
Interest expense		3,103		5,129	
Other expenses (income), net		1,271		828	
Total costs and expenses		316,201		293,107	
Earnings before income taxes		67,793		59,567	
Income tax expense		16,574		14,713	
Earnings from continuing operations		51,219		44,854	
Earnings from discontinued operations, net of tax expense of $458		-		1,156	
(Loss) gain on sale of discontinued operations, net of tax benefit / expense of $871 and $54,000, respectively		(129)		172,642	
Net (loss) earnings from discontinued operations		(129)		173,798	
Net earnings	$	51,090		218,652	
Diluted - GAAP					
Continuing operations	$	1.97		1.73	
Discontinued operations		(0.00)		6.70	
Net earnings	$	1.97		8.43	
Diluted - As Adjusted Basis					
Continuing Operations	$	2.67	(1)	2.32	(2)
Diluted average common shares O/S:		25,985		25,928	

(1) Q4 2026 Adjusted EPS from continuing operations excludes $0.70 per share of after-tax charges consisting of: $0.18 of debt financing and acquisition costs at Corporate related to the Megger acquisition and $0.52 of acquisition related amortization.

(2) Q4 2025 Adjusted EPS from continuing operations excludes $0.59 per share of after-tax charges consisting of: $0.05 of Maritime inventory step-up charges, $0.01 of restructuring charges (primarily severance) within the USG segment, and $0.53 of acquisition related amortization.

ESCO TECHNOLOGIES INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations (Unaudited)
(Dollars in thousands, except per share amounts)

		Year Ended September 30, 2026	Year Ended September 30, 2025
Net Sales	$	1,322,021	1,095,388
Cost and Expenses:			
Cost of sales		771,870	634,303
Selling, general and administrative expenses		259,984	234,638
Amortization of intangible assets		81,372	53,317
Interest expense		17,095	17,502
Other expenses (income), net		3,611	2,775
Total costs and expenses		1,133,932	942,535
Earnings before income taxes		188,089	152,853
Income tax expense		41,888	36,554
Earnings from continuing operations		146,201	116,299

Earnings from discontinued operations, net of tax expense of $3,464		-		10,282	
Gain on sale of discontinued operations, net of tax benefit / expense of $508 and $54,000, respectively		1,048		172,642	
Net earnings from discontinued operations		1,048		182,924	
Net earnings	$	147,249		299,223	
Diluted - GAAP					
Continuing operations	$	5.63		4.49	
Discontinued operations		0.04		7.06	
Net earnings	$	5.67		11.55	
Diluted - As Adjusted Basis					
Continuing Operations	$	8.42	(1)	6.03	(2)
Diluted average common shares O/S:		25,965		25,910	

(1) FY 2026 Adjusted EPS from continuing operations excludes $2.79 per share of after-tax charges consisting primarily of $0.09 of restructuring charges within Test, USG & A&D segments, $0.61 of debt financing and acquisition costs at Corporate related to the Megger acquisition, and $2.09 of acquisition related amortization.

(2) FY 2025 Adjusted EPS from continuing operations excludes $1.54 per share of after-tax charges consisting of: $0.15 of Corporate acquisition costs, $0.14 of Maritime inventory step-up charges and stamp duties, $0.02 of restructuring charges within the Test and USG segments, and $1.23 of acquisition related amortization.

ESCO TECHNOLOGIES INC. AND SUBSIDIARIES
Condensed Business Segment Information (Unaudited) - Continuing Operations basis
(Dollars in thousands)

		GAAP		As Adjusted	
		Q4 2026	Q4 2025	Q4 2026	Q4 2025
Net Sales					
Aerospace & Defense	$	190,168	170,373	190,168	170,373
USG		114,019	110,211	114,019	110,211
Test		79,807	72,090	79,807	72,090
Totals	$	383,994	352,674	383,994	352,674
EBIT					
Aerospace & Defense	$	56,364	46,893	56,405	48,660
USG		31,245	31,933	31,410	32,019
Test		13,176	12,588	13,927	12,588
Corporate		(29,889)	(26,718)	(9,319)	(8,852)
Consolidated EBIT		70,896	64,696	92,423	84,415
Less: Interest expense		(3,103)	(5,129)	(1,095)	(5,129)
Less: Income tax expense		(16,574)	(14,713)	(21,987)	(19,248)
Net earnings	$	51,219	44,854	69,341	60,038

Note 1: Adjusted net earnings of $69.3 million in Q4 2026 exclude $18.1 million (or $0.70 per share) of after-tax charges consisting of: $0.18 of debt financing and acquisition costs at Corporate related to the Megger acquisition and $0.52 of acquisition related amortization.

Note 2: Adjusted net earnings of $60.0 million in Q4 2025 exclude $15.2 million (or $0.59 per share) of after-tax charges consisting of: $0.05 of Maritime inventory step-up charges, $0.01 of restructuring charges (primarily severance) within the USG segment, and $0.53 of acquisition related amortization.

EBITDA Reconciliation to Net earnings:				Q4 2026 -	Q4 2025 -
		Q4 2026	Q4 2025	As Adj	As Adj
Consolidated EBITDA	$	97,467	91,316	101,368	93,328

Less: Depr & Amort	(26,571)	(26,620)	(8,945)	(8,913)
Consolidated EBIT	70,896	64,696	92,423	84,415
Less: Interest expense	(3,103)	(5,129)	(1,095)	(5,129)
Less: Income tax expense	(16,574)	(14,713)	(21,987)	(19,248)
Net earnings	$ 51,219	44,854	69,341	60,038

ESCO TECHNOLOGIES INC. AND SUBSIDIARIES
Condensed Business Segment Information (Unaudited) - Continuing Operations basis
(Dollars in thousands)

	GAAP		As Adjusted	
	FY 26	FY 25	FY 26	FY 25
Net Sales				
Aerospace & Defense	$ 652,509	478,192	652,509	478,192
USG	394,995	379,995	394,995	379,995
Test	274,517	237,201	274,517	237,201
Totals	$ 1,322,021	1,095,388	1,322,021	1,095,388
EBIT				
Aerospace & Defense	$ 187,736	125,139	188,055	129,676
USG	95,243	94,741	96,339	95,159
Test	40,873	34,111	43,681	34,576
Corporate	(118,668)	(83,636)	(37,641)	(36,994)
Consolidated EBIT	205,184	170,355	290,434	222,417
Less: Interest expense	(17,095)	(17,502)	(8,224)	(17,502)
Less: Income tax	(41,888)	(36,554)	(63,534)	(48,527)
Net earnings	$ 146,201	116,299	218,676	156,388

Note 1: Adjusted net earnings of $218.7 million in FY 2026 exclude $72.5 million (or $2.79 per share) of after-tax charges consisting of: $0.09 of restructuring charges within Test, USG & A&D segments, $0.61 of debt financing and acquisition costs at Corporate related to the Megger acquisition and $2.09 of acquisition related amortization.

Note 2: Adjusted net earnings of $156.4 million in FY 2025 exclude $40.1 million (or $1.54 per share) of after-tax charges consisting of: $0.15 of Corporate acquisition costs, $0.14 of Maritime inventory step-up charges and stamp duties, $0.02 of restructuring charges within the Test and USG segments, and $1.23 of acquisition related amortization.

EBITDA Reconciliation to Net earnings:			FY 26 -	FY 25 -
	FY 26	FY 25	As Adj	As Adj
Consolidated EBITDA	$ 311,828	245,376	326,550	256,303
Less: Depr & Amort	(106,644)	(75,021)	(36,116)	(33,886)
Consolidated EBIT	205,184	170,355	290,434	222,417
Less: Interest expense	(17,095)	(17,502)	(8,224)	(17,502)
Less: Income tax expense	(41,888)	(36,554)	(63,534)	(48,527)
Net earnings	$ 146,201	116,299	218,676	156,388

ESCO TECHNOLOGIES INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets (Unaudited)
(Dollars in thousands)

	September 30, 2026	September 30, 2025
Assets		
Cash and cash equivalents	$ 93,294	101,350

Accounts receivable, net	262,032	253,554
Contract assets	143,788	90,730
Inventories	228,564	217,807
Other current assets	36,554	25,065
Total current assets	764,232	688,506
Property, plant and equipment, net	178,204	172,493
Intangible assets, net	649,701	723,973
Goodwill	762,403	761,931
Operating lease assets	45,416	47,707
Other assets	20,592	15,778
	$ 2,420,548	2,410,388
Liabilities and Shareholders' Equity		
Current maturities of long-term debt	$ 0	20,000
Accounts payable	120,118	96,534
Contract liabilities	295,789	216,590
Current income tax payable	6,511	62,007
Other current liabilities	127,231	113,017
Total current liabilities	549,649	508,148
Deferred tax liabilities	105,860	112,390
Non-current operating lease liabilities	42,392	44,403
Other liabilities	31,611	38,576
Long-term debt	14,000	166,000
Shareholders' equity	1,677,036	1,540,871
	$ 2,420,548	2,410,388

ESCO TECHNOLOGIES INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows (Unaudited)
(Dollars in thousands)

	Year Ended September 30, 2026	Year Ended September 30, 2025
Cash flows from operating activities:		
Net earnings	$ 147,249	299,223
(Earnings) loss from discontinued operations	(1,048)	(182,924)
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	106,644	75,021
Stock compensation expense	14,333	10,671
Changes in assets and liabilities	35,391	9,381
Effect of deferred taxes	(6,149)	(10,976)
Other	(825)	-
Net cash provided by operating activities - continuing operations	295,595	200,396
Net cash (used) provided by operating activities - discontinued operations	(58,918)	41,543
Net cash provided by operating activities	236,677	241,939
Cash flows from investing activities:		
Acquisition of business, net of cash acquired	(10,232)	(472,006)
Capital expenditures	(34,096)	(36,322)
Additions to capitalized software and other	(11,055)	(15,844)
Other	3,248	-
Net cash used by investing activities - continuing operations	(52,135)	(524,172)
Net cash provided by investing activities - discontinued operations	1,540	268,383
Net cash used by investing activities	(50,595)	(255,789)
Cash flows from financing activities:		
Proceeds from long-term debt	149,000	661,000
Principal payments on long-term debt and short-term borrowings	(321,000)	(597,000)
Dividends paid	(8,290)	(8,262)
Debt issuance costs	(1,456)	-

Other	(10,725)	(6,197)
Net cash (used) provided by financing activities - continuing operations	(192,471)	49,541
Net cash used by financing activities - discontinued operations	-	-
Net cash (used) provided by financing activities	(192,471)	49,541
Effect of exchange rate changes on cash and cash equivalents	(1,667)	(304)
Net (decrease) increase in cash and cash equivalents	(8,056)	35,387
Cash and cash equivalents, beginning of period	101,350	65,963
Cash and cash equivalents, end of period	$ 93,294	101,350

ESCO TECHNOLOGIES INC. AND SUBSIDIARIES
Other Selected Financial Data (Unaudited)
(Dollars in thousands)

Backlog And Entered Orders - Q4 2026	A&D	USG	Test	Total
Beginning Backlog - 7/1/26	$ 1,102,446	189,426	248,643	1,540,515
Entered Orders	193,605	127,970	70,720	392,295
Sales	(190,168)	(114,019)	(79,807)	(383,994)
Ending Backlog - 9/30/26	$ 1,105,883	203,377	239,556	1,548,816

Backlog And Entered Orders - FY 2026	A&D	USG	Test	Total
Beginning Backlog - 10/1/25	$ 803,002	143,460	187,175	1,133,637
Entered Orders	955,390	454,912	326,898	1,737,200
Sales	(652,509)	(394,995)	(274,517)	(1,322,021)
Ending Backlog - 9/30/26	$ 1,105,883	203,377	239,556	1,548,816

ESCO TECHNOLOGIES INC. AND SUBSIDIARIES
Reconciliation of Non-GAAP Financial Measures (Unaudited)

EPS – Adjusted Basis Reconciliation – Q4 2026

EPS Continuing Operations– GAAP Basis – Q4 2026	$ 1.97
Adjustments (defined below)	0.70
EPS Continuing Operations– As Adjusted Basis – Q4 2026	$ 2.67

Adjustments of $0.70 per share consisting primarily of: $0.18 of debt financing and acquisition costs at Corporate related to the Megger acquisition and $0.52 of acquisition related amortization.

EPS – Adjusted Basis Reconciliation – Q4 2025

EPS Continuing Operations– GAAP Basis – Q4 2025	$ 1.73
Adjustments (defined below)	0.59
EPS Continuing Operations– As Adjusted Basis – Q4 2025	$ 2.32

Adjustments of $0.59 per share consisting primarily of: $0.05 of Maritime inventory step-up charges, $0.01 of restructuring charges with the USG segment and $0.53 of acquisition related amortization.

EPS – Adjusted Basis Reconciliation – FY 2026

EPS Continuing Operations– GAAP Basis – FY 2026	$ 5.63
Adjustments (defined below)	2.79
EPS Continuing Operations – As Adjusted Basis – FY 2026	$ 8.42

Adjustments of $2.79 per share consisting primarily of: $0.09 of restructuring charges within Test, USG and A&D segments, $0.61 of debt financing and acquisition costs related to the Megger acquisition, and $2.09 of acquisition

related amortization.

EPS – Adjusted Basis Reconciliation – FY 2025

EPS Continuing Operations– GAAP Basis – FY 2025	$	4.49
Adjustments (defined below)		1.54
EPS Continuing Operations – As Adjusted Basis – FY 2025	$	6.03

Adjustments of $1.54 per share consisting primarily of: $0.15 of Corporate acquisition costs, $0.14 of Maritime inventory step-up charges and stamp duties, $0.02 of restructuring charges within the Test and USG segments, and $1.23 of acquisition related amortization.

SOURCE ESCO Technologies Inc.
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