





ESCO Technologies

Fourth Quarter FY 2026 Earnings Call

Bryan Sayler
President & CEO

Chris Tucker
Sr. Vice President & CFO

November 19, 2026







Forward Looking Statement

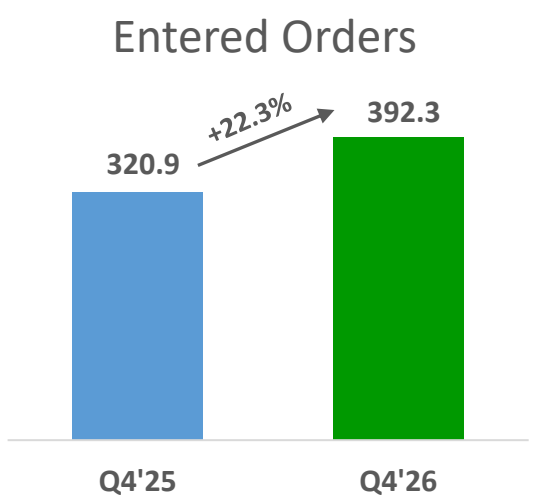
Statements in this presentation regarding Management's intentions, expectations and guidance for fiscal 2027, including restructuring and cost reduction actions, sales, orders, revenues, margin, earnings, Adjusted EPS, acquisition related amortization, and any other statements which are not strictly historical, are "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. securities laws.

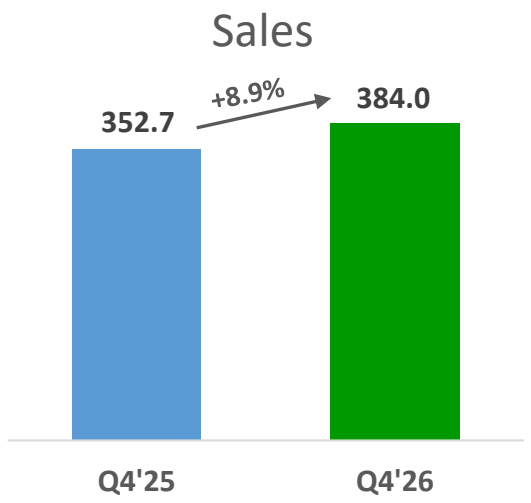
Investors are cautioned that such statements are only predictions and speak only as of the date of this release, and the Company undertakes no duty to update them except as may be required by applicable laws or regulations. The Company's actual results in the future may differ materially from those projected 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.

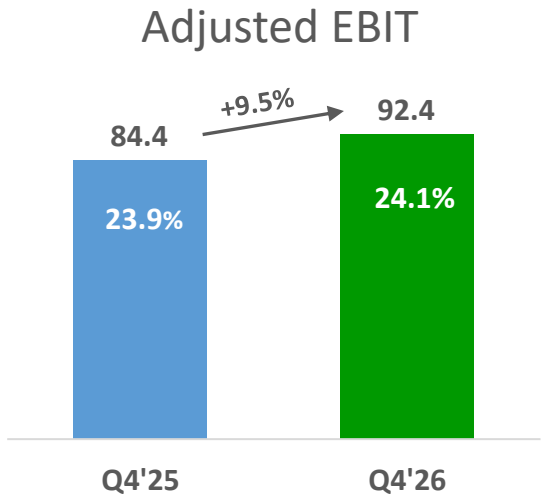
During the call, the Company may discuss some non-GAAP financial measures in describing the Company's operating results. A reconciliation of these measures to their most comparable GAAP measures can be found in the press release issued today and found on the Company's website at www.escotechnologies.com under the link: Investor Relations.

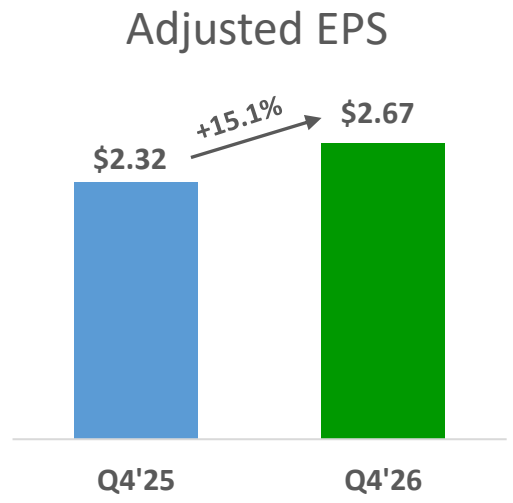
In addition, the financial results presented in this presentation include certain non-GAAP financial measures such as EBIT, Adjusted EBIT, EBITDA, Adjusted EBITDA and Adjusted EPS. These non-GAAP financial measures are reconciled to their respective GAAP equivalents in the "Reconciliation of Non-GAAP Measures" presented below.

Q4 Results – Continuing Operations ($ in Millions, except per share amounts)









Entered Orders

- Orders +$71M (+22%)
  - Double digit orders growth in all 3 segments
  - A&D +$52M / Utility +$12M / Test +$8M
- Q4 Book-to-Bill of 1.02 / Record Backlog of $1.55B (+37% from 9/30/25)

Sales

- Sales +$31M (+9%) – All Organic
- Broad Strength in Commercial Aerospace, Navy, Test and Regulated Utilities

Adjusted EBIT

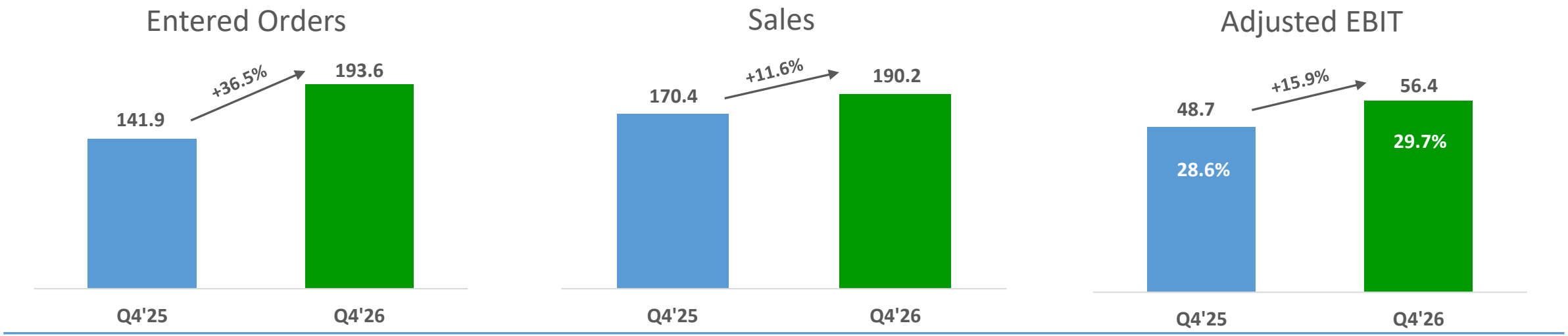
- Adjusted EBIT Margin increased 20 basis points to 24.1%

Adjusted EPS

- Adjusted EPS of $2.67 increased 15%

	Q4'25	Q4'26	Delta $	Delta %
Entered Orders	$320.9	392.3	71.4	22.3%
Sales	352.7	384.0	31.3	8.9%
Adjusted EBIT	84.4	92.4	8.0	9.5%
Adj EBIT Margin	*23.9%*	*24.1%*	*+0.2 pts*	
Adjusted EBITDA	93.3	101.4	8.1	8.6%
Adj EBITDA Margin	*26.5%*	*26.4%*	*-0.1 pts*	
EPS GAAP-Cont Ops	$1.73	$1.97	$0.24	13.9%
EPS Adjusted-Cont Ops	$2.32	$2.67	$0.35	15.1%

A&D - Continuing Operations – Q4 ($ in Millions)



Entered Orders

- Orders +$52M (+36%) – All Organic
  - Navy +$40M (+100%) – primarily Virginia Class Block VI and Columbia Class orders, along with $6M in UUV orders in the quarter
  - Aerospace +$8M (+9%) – strength in Military OEM orders
- Q4 Book-to-Bill of 1.02 / Record YE Backlog of $1.1B up (+38% from 9/30/25)

Sales

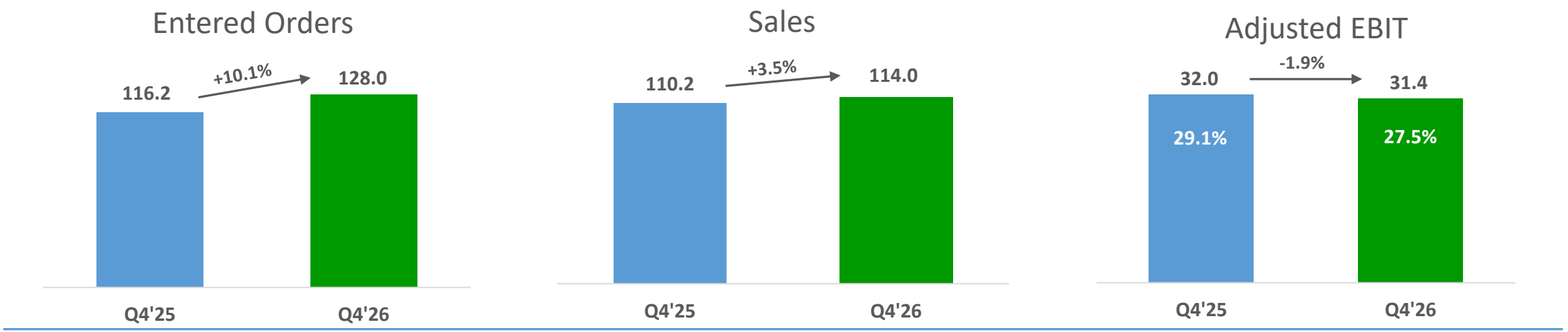
- Sales +$20M (+12%) – All Organic
  - Aerospace +$3M (+4%) – Commercial +$7M (+17%), partially offset by lower Military Sales ($4M)
  - Navy +$13M (+18%) – driven by Maritime Submarine programs

Adjusted EBIT

- Driven by leverage on higher volume and price increases, partially offset by mix and inflationary pressures

	Q4'25	Q4'26	Delta $	Delta %
Entered Orders	$141.9	193.6	51.7	36.5%
Sales	170.4	190.2	19.8	11.6%
Adjusted EBIT	48.7	56.4	7.7	15.9%
Adj EBIT Margin	*28.6%*	*29.7%*	*+1.1 pts*	
Adjusted EBITDA	51.8	59.7	7.9	15.2%
Adj EBITDA Margin	*30.4%*	*31.4%*	*+1.0 pts*	
	9/30/25	**9/30/26**	**Delta $**	**Delta %**
Backlog	$803.0	1,105.9	302.9	37.7%

USG – Q4 ($ in Millions)



Entered Orders

- Doble +$12M (+11%) – Strong Protection Testing, Condition Monitoring and Services orders
- NRG +$0.2M (+1%) – sequential improvement & growth over prior year
- Q4 Book-to-Bill of 1.12 / Backlog of $203M (+42% from 9/30/25)

Sales

- Doble +$7M (+8%) – primarily driven by higher Condition Monitoring, and Services revenue
- NRG down $3M (-20%) – sunsetting of U.S. tax credits

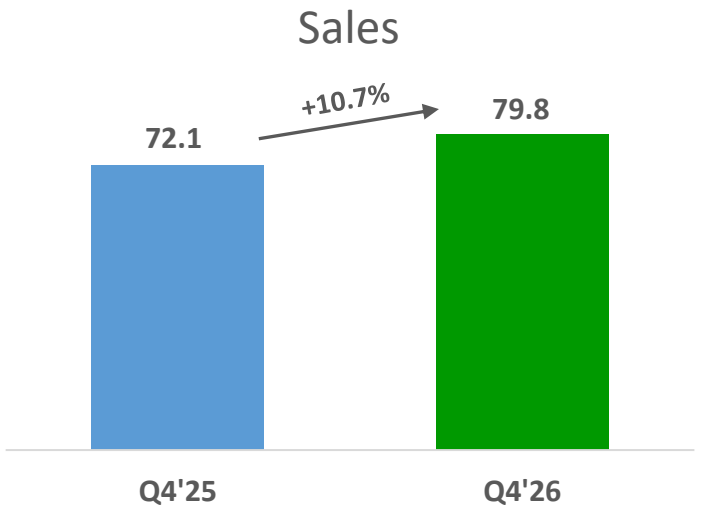
Adjusted EBIT

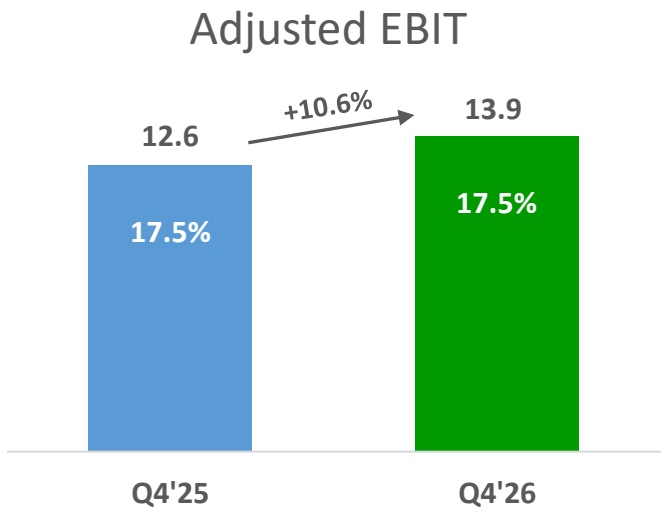
- Driven by deleverage on lower volume at NRG, mix, and inflationary pressures, partially offset by price increases and leverage on higher volume at Doble

	Q4'25	Q4'26	Delta $	Delta %
Entered Orders	$116.2	128.0	11.8	10.1%
Sales	110.2	114.0	3.8	3.5%
Adjusted EBIT	32.0	31.4	(0.6)	-1.9%
Adj EBIT Margin	*29.1%*	*27.5%*	*-1.6 pts*	
Adjusted EBITDA	36.1	35.5	(0.6)	-1.8%
Adj EBITDA Margin	*32.8%*	*31.1%*	*-1.7 pts*	
	9/30/25	**9/30/26**	**Delta $**	**Delta %**
Backlog	$143.5	203.4	59.9	41.8%

Test – Q4 ($ in Millions)







Entered Orders

- Orders +$8M (+13%)
  - Growth driven by a large Automotive chamber order ($10M) and several military projects, partially offset by lower wireless and medical shielding
- Q4 Book-to-Bill of 0.89 / Record YE Backlog of $240M (+28% from 9/30/25)

Sales

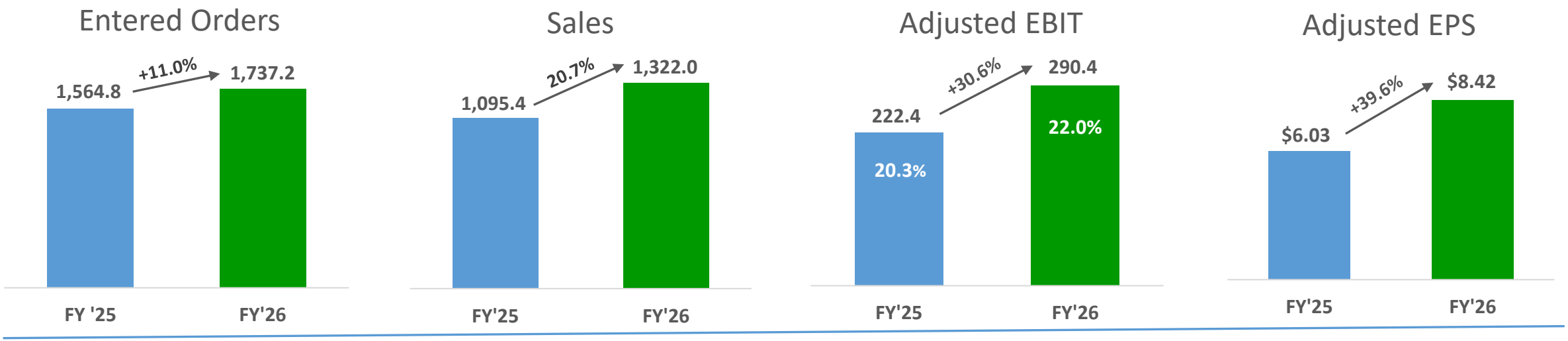
- Sales +$8M (+11%)
  - Growth driven by higher filters for U.S. government data centers and secure facilities, military projects & Medical Shielding

Adjusted EBIT

- Leverage on higher volume and price increases, partially offset by inflationary pressures and less favorability from EAC adjustments in the quarter

	Q4'25	Q4'26	Delta $	Delta %
Entered Orders	$62.8	70.7	7.9	12.6%
Sales	72.1	79.8	7.7	10.7%
Adjusted EBIT	12.6	13.9	1.3	10.6%
Adj EBIT Margin	*17.5%*	*17.5%*	--	
Adjusted EBITDA	14.1	15.4	1.3	9.0%
Adj EBITDA Margin	*19.6%*	*19.3%*	*-0.3 pts*	
	9/30/25	**9/30/26**	**Delta $**	**Delta %**
Backlog	$187.2	239.6	52.4	28.0%

Full Year Results – Continuing Operations ($ in Millions, except per share amounts)



Entered Orders

- Orders strength across Aerospace, Navy, Test & Regulated Utilities
  - Organic Growth +$232M (+20%) - A&D +25%, Test +23%, USG +13% (Doble +19% & NRG -20%)
  - Inorganic ($60M) - FY'25 included $364M in acquired Maritime
- YTD Book-to-Bill of 1.31, Ending Backlog of $1.55B (+37% from 9/30/25)

Sales

- Continuing strength in Aerospace, Navy, Test & Regulated Utilities
  - Organic Growth +$106M (+10%) - A&D +12%, Test +16%, USG +4% (Doble +10% & NRG -27%)
  - Inorganic +$121M - Maritime Growth Q1-Q3

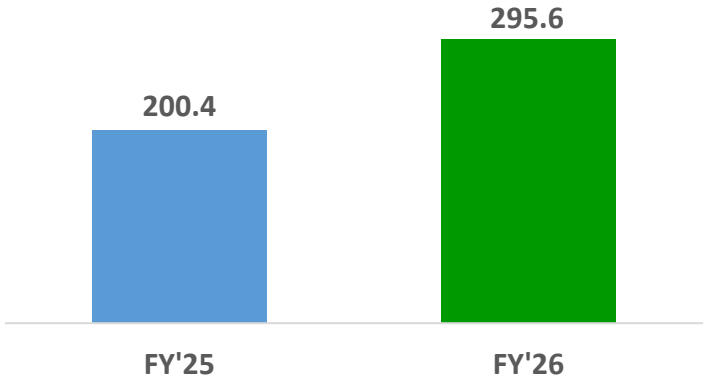
Adjusted EBIT

- Margins increased 170 basis points as leverage on higher sales and price increases more than offset mix and inflationary impacts

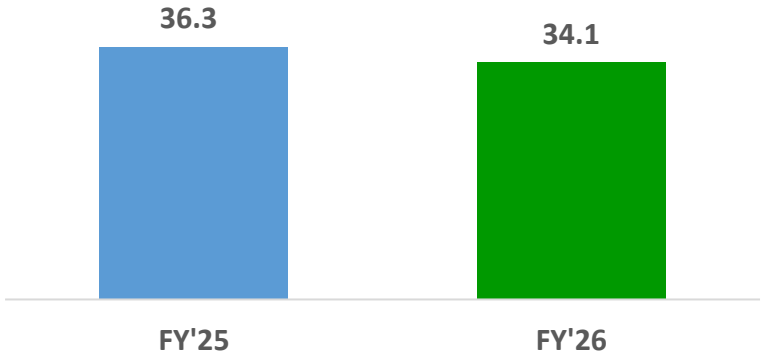
	FY'25	FY'26	Delta $	Delta %
Entered Orders	$1,564.8	1,737.2	172.4	11.0%
Sales	1,095.4	1,322.0	226.6	20.7%
Adjusted EBIT	222.4	290.4	68.0	30.6%
Adj EBIT Margin	*20.3%*	*22.0%*	*+1.7 pts*	
Adjusted EBITDA	256.3	326.6	70.3	27.4%
Adj EBITDA Margin	*23.4%*	*24.7%*	*+1.3 pts*	
EPS GAAP	$4.49	$5.63	$1.14	25.4%
EPS Adjusted	$6.03	$8.42	$2.39	39.6%

Cash Flow & Capital Expenditures ($ in Millions)

Operating Cash Flow



Capital Spending



Operating Cash Flow

- Improvement mainly driven by lower working capital requirements and higher earnings

Capital Expenditures

- Down slightly compared to prior year

Acquisitions/Divestitures

- Maritime acquisition completed in Q3’25, some related Maritime working capital and tax settlements in Q1/Q2’26
- VACCO divestiture completed in Q4’25

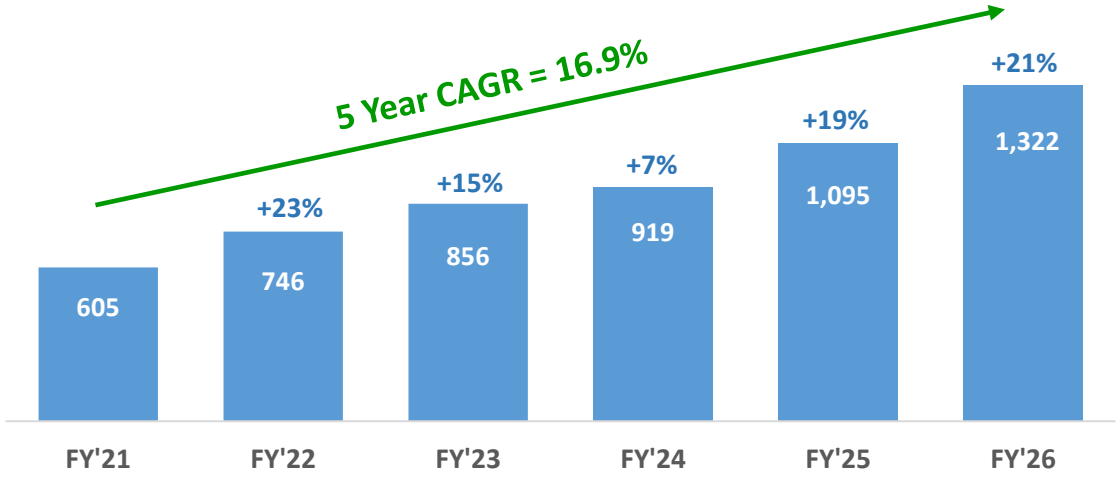
EBITDA Leverage

- Leverage ratio at 0.0X at 9/30/26 – net cash position
- Positioned well for Megger transaction

Cash Flow	FY’25	FY’26
Operating Cash Flow - Contin Ops	$200.4	295.6
Capital Expenditures – Contin Ops	(36.3)	(34.1)
Acquisitions/Divestitures	(203.6)	(8.7)
EBITDA Leverage	0.56X	0.0X

5 Year Growth Trends

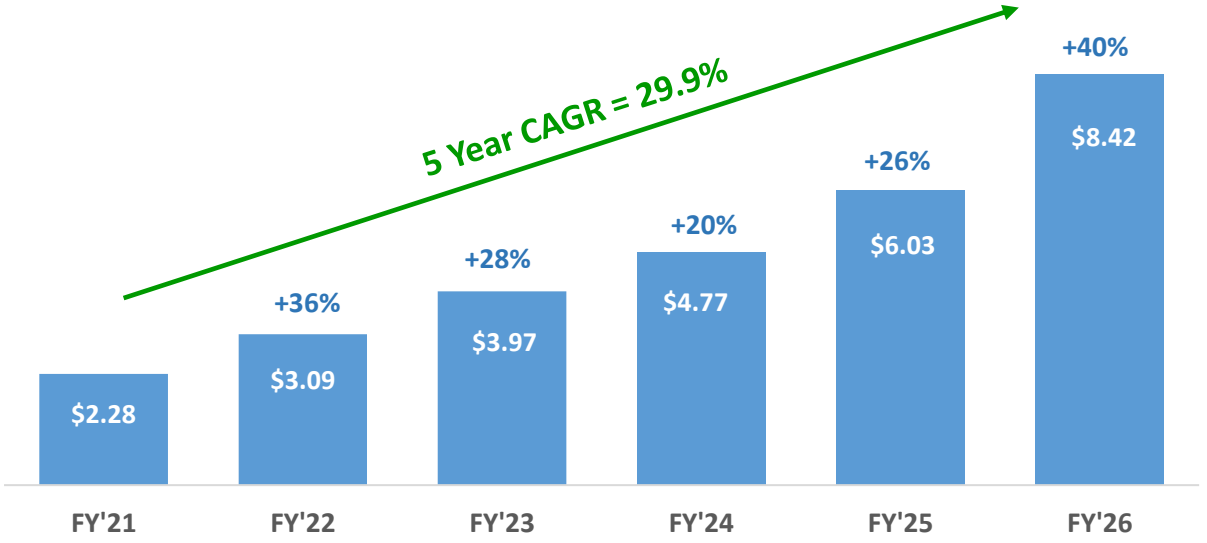
Sales Trends ($ in Millions)



Sales growth driven by portfolio enhancements and durable demand across our Aerospace, Navy, Electric Power and Test end-markets

Adjusted EPS Trends

Adjusted EPS growth driven by leverage on growth, operational improvements, and disciplined execution



FY’27 Guidance – Continuing Operations

Sales - Expected to increase 55% to 58% and be in the range of $2.05B to $2.09B (7% - 9% Organic Growth)

- **A&D -** expected to increase 7% - 9%
- **USG -** expected to increase 170 – 175% (Organic Growth of 7% - 9% plus Megger Revenue of $640M - $660M)
- **Test** – expected to increase 5% - 7%

Adjusted EBIT - Expected to increase 51% to 55%, with margins of 21.2% - 21.8%

Adjusted EBITDA - Expected to increase 53% to 57%, with margins of 24.2% - 24.8%

Interest – Expected to be in the range of $61 to $63 million for the year

Effective Tax Rate - Expected to be approximately 22.5% in FY’27

Shares Outstanding -– 26.0M Shares in FY’26 / ~31.1M Shares in FY’27

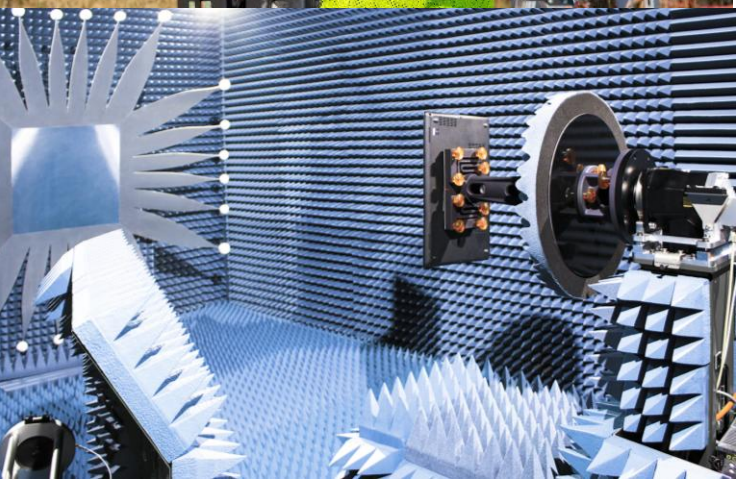
Adjusted EPS -

- **Full Year -** Expected to be in the range of $9.40 - $9.70 per share (12% - 15% growth)
- **Q1’27 -** Expected to be in the range of $1.85 - $1.95 per share (13% - 19% growth compared to Q1’26)

FY’27 Guidance excludes sizable Megger acquisition and integration related expenses and acquisition related amortization







ESCO Technologies

Fourth Quarter FY 2026

Earnings Call

Q&A







Reconciliation of Non-GAAP Measures – Continuing Operations

	3 Months ended September 30					
	GAAP		Adjustments		As Adjusted	
EBIT	Q4'25	Q4'26	Q4'25	Q4'26	Q4'25	Q4'26
A&D	$ 46,893	56,364	1,767	41	48,660	56,405
USG	31,933	31,245	86	165	32,019	31,410
Test	12,588	13,176	-	751	12,588	13,927
Corporate	(26,718)	(29,889)	17,866	20,570	(8,852)	(9,319)
Consolidated EBIT	64,696	70,896	19,719	21,527	84,415	92,423
D&A						
A&D	$ 3,169	3,287	-	-	3,169	3,287
USG	4,123	4,085	-	-	4,123	4,085
Test	1,519	1,444	-	-	1,519	1,444
Corporate	17,809	17,755	(17,707)	(17,626)	102	129
Consolidated EBIT	26,620	26,571	(17,707)	(17,626)	8,913	8,945
EBITDA						
A&D	$ 50,062	59,651	1,767	41	51,829	59,692
USG	36,056	35,330	86	165	36,142	35,495
Test	14,107	14,620	-	751	14,107	15,371
Corporate	(8,909)	(12,134)	159	2,944	(8,750)	(9,190)
Consolidated EBITDA	91,316	97,467	2,012	3,901	93,328	101,368
Less: Depreciation & Amortization	(26,620)	(26,571)	17,707	17,626	(8,913)	(8,945)
Consolidated EBIT	$ 64,696	70,896	19,719	21,527	84,415	92,423
Less: Interest Expense	(5,129)	(3,103)	-	2,008	(5,129)	(1,095)
Less: Income Tax	(14,713)	(16,574)	(4,535)	(5,413)	(19,248)	(21,987)
Net Earnings	$ 44,854	51,219	15,184	18,122	60,038	69,341

	3 Mos ended Sept 30	
EPS Reconciliation	Q4'25	Q4'26
EPS - GAAP from Continuing Ops	$ 1.73	1.97
Purchase Accounting/Acq Related Exp	$ 0.05	0.12
Debt Financing	$ -	0.06
Restructuring Charges	$ 0.01	-
Acquisition Related Amortization	$ 0.53	0.52
Adjustments	$ 0.59	0.70
EPS - As Adjusted from Continuing Ops	$ 2.32	2.67

	Adjusted EPS Guidance			
	Q1'27		FY'27	
	Low	High	Low	High
Adjusted EPS Guidance	$ 1.85	1.95	9.40	9.70

A reconciliation of Q1 2027 and full year 2027 Adjusted EPS to GAAP EPS guidance is not yet available as the accounting for the Megger acquisition has not been finalized, therefore adjustments related to acquisition costs and acquisition-related intangible amortization are not yet available.

	12 Months ended September 30					
	GAAP		Adjustments		As Adjusted	
EBIT	FY'25	FY'26	FY'25	FY'26	FY'25	FY'26
A&D	$ 125,139	187,736	4,537	319	129,676	188,055
USG	94,741	95,243	418	1,096	95,159	96,339
Test	34,111	40,873	465	2,808	34,576	43,681
Corporate	(83,636)	(118,668)	46,642	81,027	(36,994)	(37,641)
Consolidated EBIT	170,355	205,184	52,062	85,250	222,417	290,434
D&A						
A&D	$ 11,714	13,491	-	-	11,714	13,491
USG	16,119	16,372	-	-	16,119	16,372
Test	5,744	5,799	-	-	5,744	5,799
Corporate	41,444	70,982	(41,135)	(70,528)	309	454
Consolidated EBIT	75,021	106,644	(41,135)	(70,528)	33,886	36,116
EBITDA						
A&D	$ 136,853	201,227	4,537	319	141,390	201,546
USG	110,860	111,615	418	1,096	111,278	112,711
Test	39,855	46,672	465	2,808	40,320	49,480
Corporate	(42,192)	(47,686)	5,507	10,499	(36,685)	(37,187)
Consolidated EBITDA	245,376	311,828	10,927	14,722	256,303	326,550
Less: Depreciation & Amortization	(75,021)	(106,644)	41,135	70,528	(33,886)	(36,116)
Consolidated EBIT	$ 170,355	205,184	52,062	85,250	222,417	290,434
Less: Interest Expense	(17,502)	(17,095)	-	8,871	(17,502)	(8,224)
Less: Income Tax	(36,554)	(41,888)	(11,973)	(21,646)	(48,527)	(63,534)
Net Earnings	$ 116,299	146,201	40,089	72,475	156,388	218,676

EPS Reconciliation	FY'25	FY'26
EPS - GAAP from Continuing Ops	$ 4.49	5.63
Purchase Accounting/Acq Related Exp	$ 0.29	0.35
Debt Financing	$ -	0.26
Restructuring Charges	$ 0.02	0.09
Acquisition Related Amortization	$ 1.23	2.09
Adjustments	$ 1.54	2.79
EPS - As Adjusted from Continuing Ops	$ 6.03	8.42