

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): November 12, 2002

ESCO TECHNOLOGIES INC.

(Exact Name of Registrant as Specified in Charter)

Missouri
(State or Other
Jurisdiction of Incorporation)

1-10596
(Commission
File Number)

43-1554045
(I.R.S. Employer
Identification No.)

8888 Ladue Road, Suite 200, St. Louis, Missouri
(Address of Principal Executive Offices)

63124-2056
(Zip Code)

Registrant's telephone number, including area code: 314-213-7200

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ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(c) Exhibits

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1	Press release dated November 11, 2002.
99.2	Information included on Registrant's website as of November 12, 2002.

ITEM 9. REGULATION FD DISCLOSURE

In connection with a Registrant presentation on November 12, 2002, the Registrant will include on its website certain information regarding the Registrant's financial goals. The related press release and the information that will be included on Registrant's website are attached as Exhibits 99.1 and 99.2 to this Form 8-K. The presentation reiterates the Registrant's fiscal 2002 full year earnings outlook reflected in its August 7, 2002 press release, and also reiterates its previously disclosed five-year financial goals of compound annual growth in sales and earnings per share, from a fiscal 2000 base, of greater than 10% and greater than 15%, respectively. The presentation also restates the Registrant's five-year goal of achieving earnings before interest and taxes (EBIT) margin equal to or greater than 13%.

The furnishing of these Exhibits is not intended to constitute a representation that such furnishing is required by Regulation FD or that the information they contain includes material investor information that is not otherwise publicly available. Statements in Exhibits 99.1 and 99.2 that 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 November 12, 2002. The Registrant does not assume any obligation to update such information in the future. The Registrant'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 Registrant's operations and business environment including, but not limited to: further weakening of economic conditions in served markets; changes in customer demands or customer insolvencies; electricity shortages; competition; intellectual property matters; consolidation of internal operations; integration of recently acquired businesses; delivery delays or defaults by customers; performance issues with key suppliers and subcontractors; and the Registrant's successful execution of internal operating plans.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ESCO TECHNOLOGIES INC.

Dated: November 12, 2002

By: /s/ A.S. Barclay
A.S. Barclay
Vice President, Secretary and
General Counsel

EXHIBIT INDEX

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NEWS FROM

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(314) 213-7277

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ESCO MANAGEMENT WILL PRESENT
AT BAIRD INDUSTRIAL TECHNOLOGY CONFERENCE

St. Louis, MO, November 11, 2002 — ESCO Technologies Inc. (NYSE: ESE) announced that Victor L. Richey, Jr., Chief Executive Officer, will make a Company presentation November 12, 2002 at the Baird Industrial Technology Conference in Chicago.

The presentation will highlight the Company's operations and address ESCO's strategy for achieving its sales and earnings growth targets. Visuals presented will be available on the Company's website at www.escotechnologies.com (click on Investor Relations/Baird Presentation) concurrent with the presentation at 11:10 a.m. CST on November 12, 2002.

ESCO, headquartered in St. Louis, is a leading supplier of engineered filtration products to the process, health care and transportation markets worldwide. In addition, the Company is the industry leader in RF shielding and EMC test products and also markets proprietary, special purpose communications systems.



NYSE Symbol: ESE

NOVEMBER 2002

Forward-Looking Statement

This presentation contains “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 November 12, 2002. 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: further weakening of economic conditions in served markets; changes in customer demands or customer insolvencies; electricity shortages; competition; intellectual property rights; consolidation of internal operations; integration of recently acquired businesses; delivery delays or defaults by customers; performance issues with key suppliers and subcontractors; collective bargaining labor disputes; and the Company’s successful execution of internal operating plans.



ESCO Heritage

- **Spun-off in 1990 from Emerson**
 - Primarily Defense (90%)
- **7 Acquisitions; 2 Divestitures**
- **Sold Last Major Defense Property in September of 1999**

NEW ESCO

Today, ESCO is...

- **A Proven Supplier of Special Purpose Communications Systems Primarily for the Electric Utility Industry**
- **A Leading Provider of Engineered Filtration Products to the Process, Health Care and Transportation Markets Worldwide**
- **The Industry Leader in RF Shielding and EMC Test Products**

ESCO Products & Applications

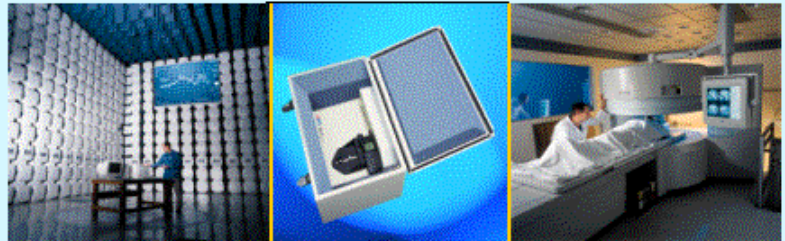
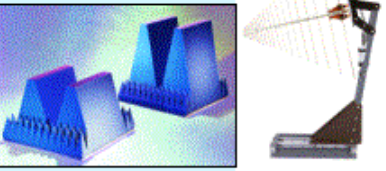
Communications



Filtration

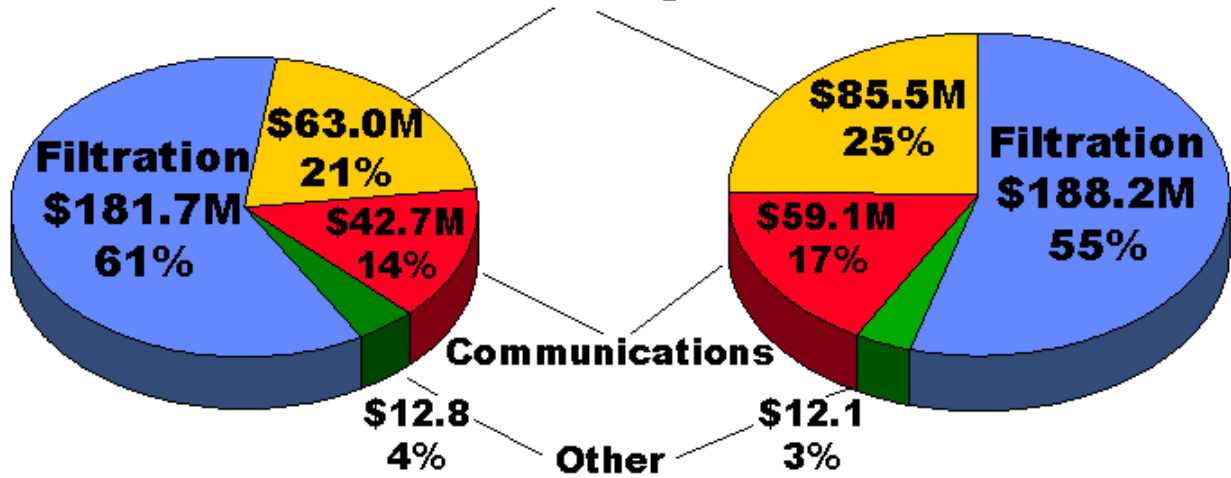


Test



ESCO Business Profile – FY '00 vs '01

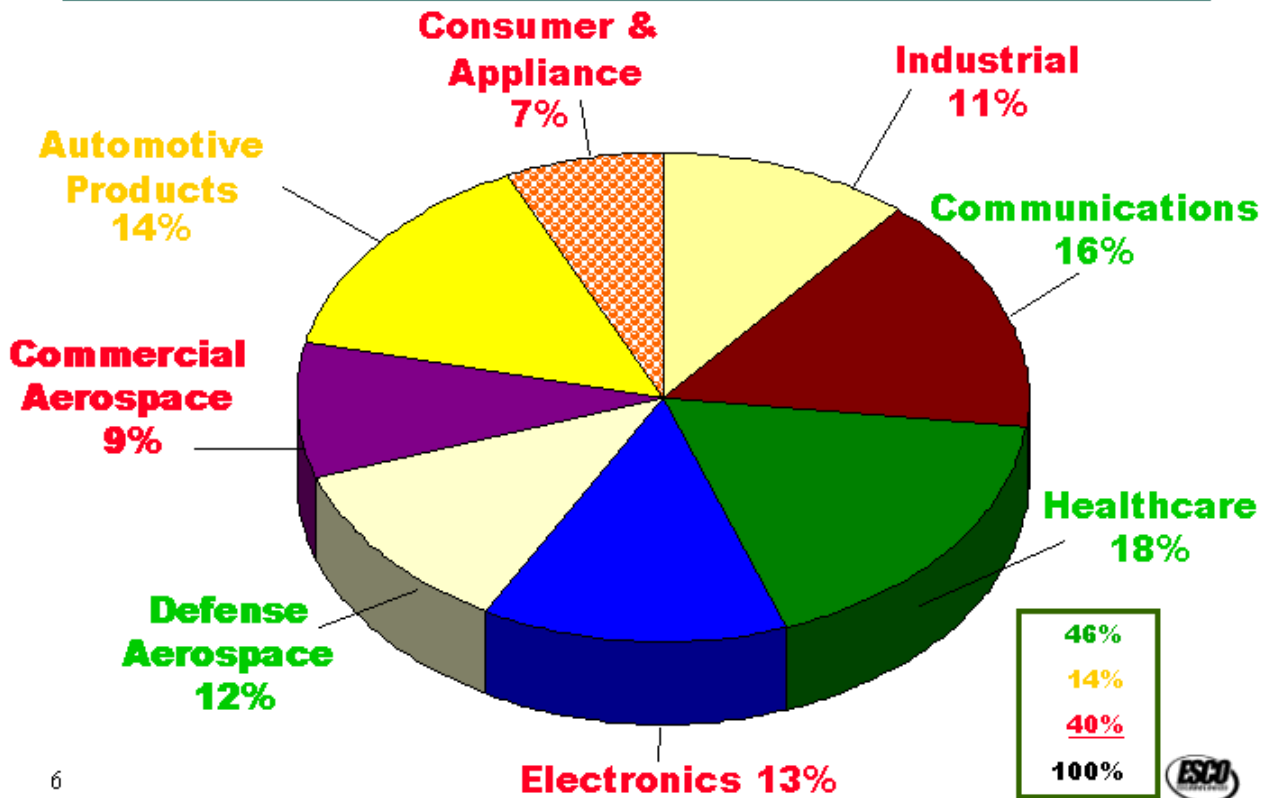
RF Shielding & Test



**Fiscal 2000 Sales
= \$300.2M**

**Fiscal 2001 Sales
= \$344.9M**

ESCO Served Markets – FY 2001



ESCO Strategy

- **ESCO will sustain its Momentum through**
 - **Continued Investment in New Products**
 - **Ongoing Performance Improvement Actions**
 - **Selective Acquisitions**

- **Supported by**
 - **A Strong Balance Sheet -- AND --**
 - **A Dedicated Management Team whose Interests are Strongly Aligned with the Shareholders**

Financial Goals

■ New ESCO 5 Year View

- Sales Growth $> 10\%$ CAGR
- EBIT Margin $\geq 13\%$ (~5% Improvement)
- EPS Growth $> 15\%$ CAGR

	Base Period '00	Goal '05
Sales	\$ 300 M	~ \$500 M
EBIT Margin	8%	13%
EPS From Operations	\$ 1.27	\$2.50 - \$3.00

Income Statement (In Millions)

	FY 2001 Operations	FY 2000 Operations	% Change
Net Sales	\$ 344.9	\$ 300.2	14.9% <small>6.7% ORGANIC</small>
Gross Profit	108.4	91.9	18.0%
% Sales	31.4%	30.6%	
EBIT ①	30.9	24.7	25.1%
% Sales	9.0%	8.2%	
Net Earnings	20.0	17.8	12.4%
% Sales	5.8%	5.9%	
EPS - Diluted ④	② \$1.56	③ \$1.27	22.8%
EBITDA	42.5	36.3	17.1%
% Sales	12.3%	12.1%	

① Excludes Goodwill Amort of: FY '01 = \$3.5M & FY '00 = \$2.6M (Pretax)

② Excludes Elimination of the Net Deferred Tax Valuation Allowance of \$.99 per share

③ Excludes Non-recurring Gain of \$.22 Related to Property Divestitures

④ EPS Table:

EPS	GAAP Reported	Non-recurring Items	Goodwill Amortization	Approximate EPS from Operations
2000	\$ 1.33	(0.22)	0.16	\$ 1.27
2001	2.35	(0.99)	0.20	1.56

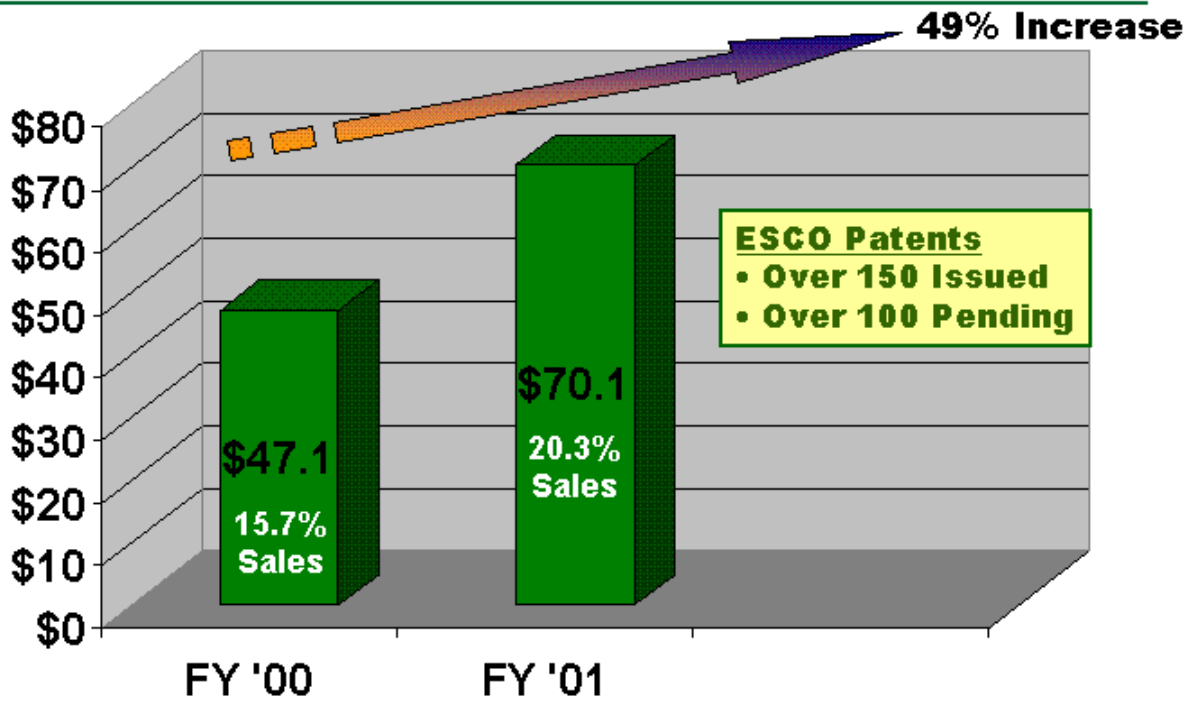


ESCO Segment Performance

Segment	Net Sales		EBIT		EBIT Margin	
	2001	2000	2001	2000	2001	2000
Comm	\$ 59.1	42.7	\$ 11.9	8.2	20.1%	19.2%
Filtration	188.2	181.7	13.5	14.3	7.2%	7.9%
Test	85.5	63.0	8.9	5.4	10.4%	8.6%
Other	12.1	12.8	(3.4)	(3.2)	-28.1%	-25.0%
Totals	\$ 344.9	300.2	\$ 30.9	24.7	9.0%	8.2%

- Years ended September 30
- Dollars in Millions
- EBIT Excludes Goodwill Amortization

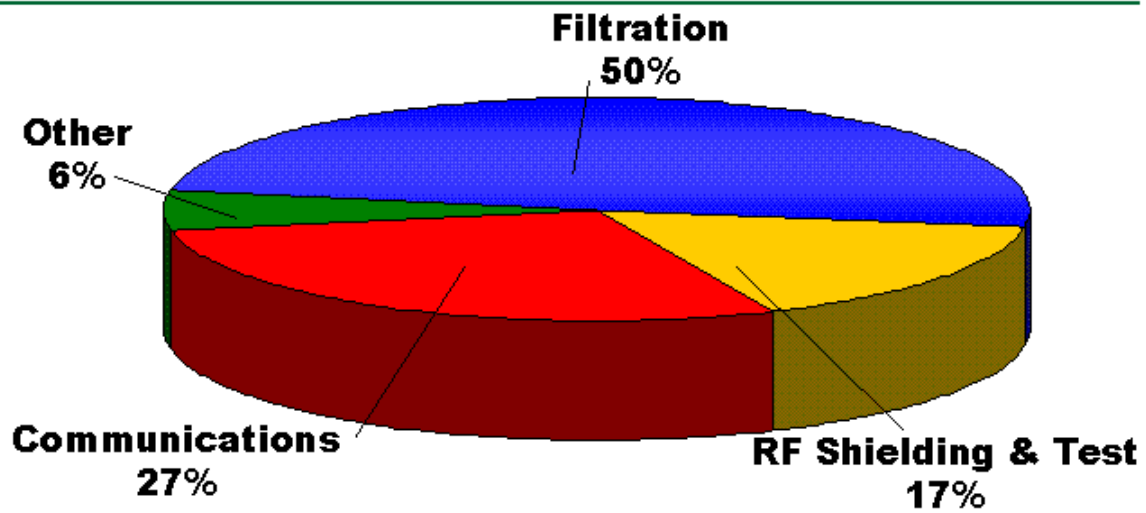
New Product Sales Outlook



Includes Products Introduced During Prior 3 Years



Engineering Investment



FY '01 Engineering Expenditures = \$25.4M (7.4% Sales)

□ **Engineering Force Count ~ 260**

ESCO Performance Improvement Actions

FY '01 Selected Data

- **Sales up 14.9% over prior year**
- **Force count reduced 2.2% compared to prior year**
- **3 Facilities Closed; Sq. Ft. Reduced 6.5%**
- **EBIT margin improvement of 0.8%**

- EXCLUDING EXTRAORDINARY GAINS IN FY '00

Ongoing

- **Test Consolidation in Austin → Completed Q2, FY'02**
- **European Work Transfer Initiatives**
- **Advanced Automation**
- **Make / Buy**

ESCO Acquisitions: FY '00 – '02

Completed: 5

3 in Filtration:



One Product Line Drop-in (Space Products)



One Stand-Alone: Europe (Distributor on the Continent)



One Technology / Patent Portfolio (Cross Flow Filtration and Separation)

2 in Test:



One Line Extension Fully Consolidated (Components)



One Test Competitor with Line Extension (MRI)

Characteristics:

\$5M to \$50M

Existing Segments

Competitors or Line Extensions

Drop-in or Technology Preferred



Balance Sheet (In Millions)

	9/30/01	
Cash & Equivalents	\$ 14.5	
Accounts Receivable	61.4	
Inventory	54.8	
Other Current Assets	20.7	Includes Tax Effectuated NOL of \$45.4M, retained from former defense subsidiaries.
Total Current Assets	\$ 151.4	
Property, Plant & Equip, Net	65.0	
Other Assets	159.2	
Total Assets	\$ 375.6	
Current Maturities - LTD	\$ 0.1	
Current Liabilities	64.0	
Other Liabilities	15.9	
Long Term Debt	8.3	
Total Liabilities	88.3	
Shareholders Equity	287.3	
Total Liabilities & Equity	\$ 375.6	
FREE CASH FLOW (\$33 FROM OPS LESS \$12 CAPX)	\$ 21.1	

Dedicated Management

- **Executive Equity Ownership Program**
 - **Outright Ownership of 3X & 5X Total Cash Compensation**

- **Board of Directors Ownership Program**
 - **5X Retainer**

- **Broad Stock Option Incentive Program (Approx. 200 Management Participants)**

- **Economic Profit Improvement is an Incentive Compensation Component**

ESCO Strategy

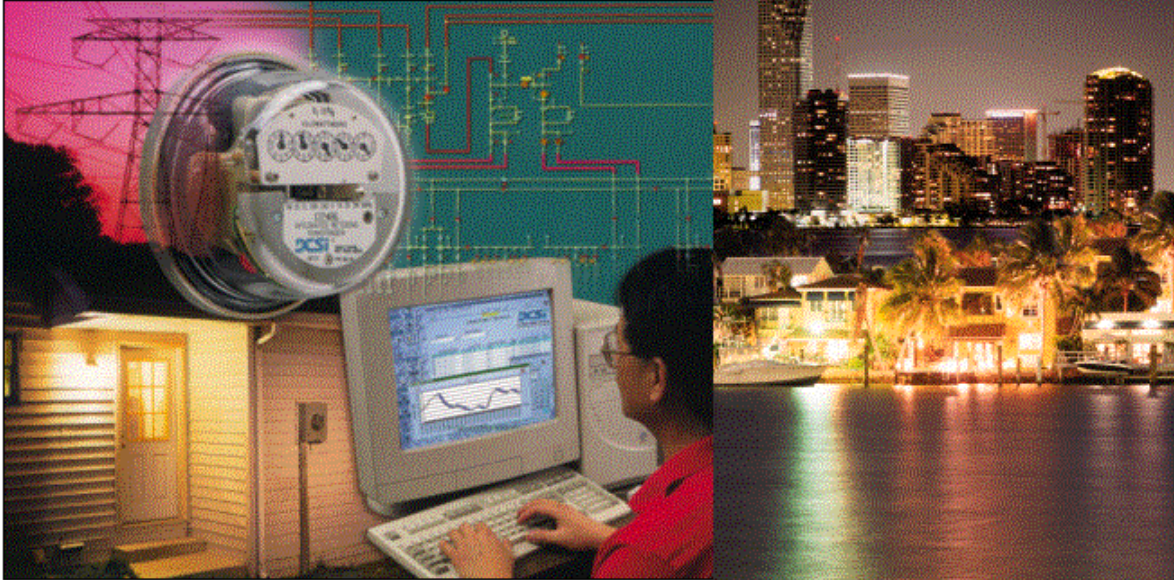
- **ESCO will sustain its Momentum through**
 - **Continued Investment in New Products**
 - **Ongoing Performance Improvement Actions**
 - **Selective Acquisitions**

- **Supported by**
 - **A Strong Balance Sheet -- AND --**
 - **A Dedicated Management Team whose Interests are Strongly Aligned with the Shareholders**

SEGMENT PROFILES

Communications Segment

■ TWACS® System



Communications

■ Market Profile

- ESCO Addressable Market
 - North American Automatic Meter Reading (AMR) ~ \$6B
 - 97 Million Meters
 - 70% Investor Owned
 - 15% Municipal
 - 15% Co-op
 - Plus Developing
 - Demand Side Management
 - International

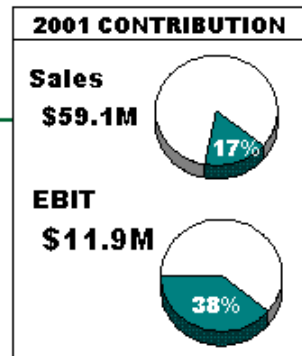
■ Served Markets

- Industrial (93%) - Electronics (7%)

■ Customer Base:



Wisconsin Public Service Corporation



Fastest Growing Highest Margin Business (9 Months of '02)	
SALES	\$ 64.8 M
EBIT	14.3 M (22%)
ORDERS	\$182 M
BACKLOG	\$189 M

Two-way Automatic Communications System

TWACS®

- **Power Line Based Fixed Network System**
- **Most Capable Proven System Available**
 - 40 North American Utilities, 3.5M End Points
 - Can be Deployed System-wide
 - Versatility / Value-Added Features
 - Two-way Load Control
 - Time of Use
 - Outage Mapping
- **Clearly the Best Solution for Rural Areas and Broken Terrain**
 - Cost
 - Reliability
- **Incorporates Patented Proprietary Technology**

Communications

■ Growth Drivers

- Market
 - **Deregulation Driving More Attention to Efficiency and Customer Care**
 - §
 - **Meter Reading Cost**
 - **Theft**
 - **Call Center Cost**
 - Customer
 - **Billing Accuracy**
 - **Call Center Responsiveness**
 - **Outage Restoration**
- ESCO
 - **Existing Product Attributes**
 - **Investment in New Product Features / Further Differentiation**

Filtration Segment



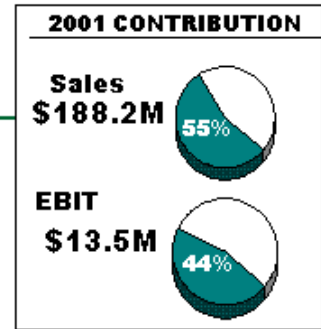
Filtration Segment

■ ESCO Addressable Market ~\$5B

■ Served Markets: Liquid Only

- Industrial Process (20%) - Transportation
- Health Care (19%) - Auto (20%)
- Consumer & Appl. (13%) - Aero (28%)

• Includes Potable Water ESCO DOES NOT SERVE MUNICIPAL WATER MARKET



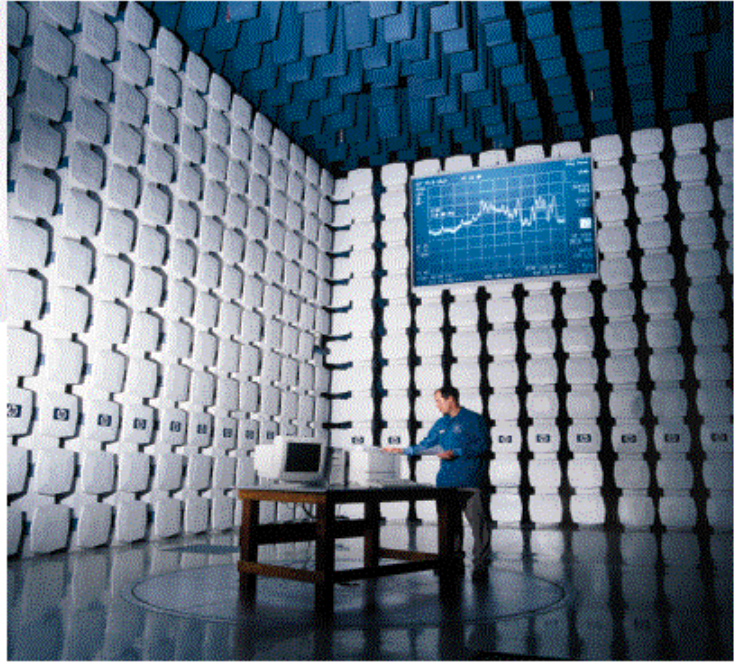
■ Broad Blue Chip Customer Base:



Filtration Growth Drivers

- **Leadership Position in Certain Niches Driven by Technology Advancements and Customer Support**
 - Separations and Concentrations Technology
 - Membrane Development
 - Advanced Pleating Geometries
 - Process Improvement in Insert Injection Molding
- **Served Market Growth: 5%-10+% CAGR**
- **New Products**
 - Food & Beverage
 - Semiconductor
 - Water
 - Pharmaceutical
- **Acquisitions**
 - Microfiltration
 - Product line “drop-ins” / Technology

RF Shielding & Test Segment



RF Shielding & Test

■ Market Profile

- ESCO Addressable Market ~\$400M

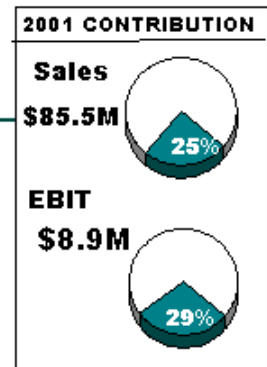
■ Served Markets

- Electronics (46%)
- Health Care (31%)
- Other (2%)
- Transportation
- Auto (12%)
- Aero (9%)

■ Broad Blue Chip Customer Base:



We bring good things to life.



RF Shielding & Test

- **ESCO is the global leader of radio frequency (RF) shielding and electromagnetic compatibility (EMC) test products.**
- **Growth Drivers**
 - **MRI**
 - **International**
 - **Proliferation of Electronic Devices**
 - **Calibration Services**

The Way Forward

'02

EPS Growth on a Comparable / Operating Basis ^① + 6% to 10%

15% EPS CAGR Still on Track

**Continued Progress
In a Difficult Environment
Without Sacrificing our Future**

Future

Committed to \$3.00 per share in '05

**Modest Support from Economy
Continued Growth of Communications: IOU's (Feature Expansion for Further Differentiation)
New Products in Filtration (Primarily Healthcare)
Extend our Reach in Test (International Opportunities)
Continue to Aggressively work our Cost and Improve our Competitive Position
Get even more Focused
Acquisitions as a Supplement**

Committed to \$3.00 per share in '05

^① Refer to notes on Chart 9. In the case of '02, excludes approximately \$0.04 of EPS relating to the Company Management Transition Agreement with the current Chairman, who will retire in April of '03.



ESCO TECHNOLOGIES

YTD PERFORMANCE

Income Statement (In Millions)

	9 Mos YTD FY 2002 Operations	9 Mos YTD FY 2001 Operations	% Change
Net Sales	\$ 267.3	\$ 257.6	3.8%
Gross Profit	87.1	80.5	8.2%
% Sales	32.6%	31.3%	
EBIT	25.5	① 23.6	8.1%
% Sales	9.5%	9.2%	
Net Earnings	15.7	14.7	6.8%
% Sales	5.9%	5.7%	
EPS - Diluted ②	\$ 1.21	\$ 1.15	5.2%
EBITDA	35.0	33.3	5.1%
% Sales	13.1%	12.9%	

① FY '01 results reported as if FAS 142 had been implemented.

② EPS Table:

EPS	GAAP Reported	Non-recurring Items	Goodwill Amortization	Approximate EPS from Operations
2001	\$ 1.00	-	0.15	\$ 1.15
2002	1.21	-	-	1.21



ESCO Segment Performance

Segment	Net Sales		EBIT		EBIT Margin	
	YTD 2002	YTD 2001	YTD 2002	YTD 2001	2002	2001
Comm	\$ 64.8	44.8	\$ 14.3	10.0	22.1%	22.3%
Filtration	142.8	138.6	9.7	9.5	6.8%	6.9%
Test	51.3	66.1	3.2	6.6	6.2%	10.0%
Other	8.4	8.1	(1.7)	(2.5)	-20.2%	-30.9%
Totals	\$ 267.3	257.6	\$ 25.5	23.6	9.5%	9.2%

- Nine Months Ended June 30
- Dollars in Millions
- EBIT Excludes Goodwill Amortization



Balance Sheet (In Millions)

	6/30/02	
Cash & Equivalents	\$ 13.7	
Accounts Receivable	67.3	
Inventory	62.0	
Other Current Assets	22.0	
Total Current Assets	\$ 165.0	<div style="border: 1px solid black; padding: 5px;"> <p>Includes Tax Effected NOL of \$40.8M, retained from former defense subsidiaries.</p> </div>
Property, Plant & Equip, Net	67.1	
Other Assets	166.0	
Total Assets	\$ 398.1	
Current Maturities - LTD	\$ -	
Current Liabilities	68.1	
Other Liabilities	17.3	
Long Term Debt	8.1	
Total Liabilities	93.5	
Shareholders Equity	304.6	
Total Liabilities & Equity	\$ 398.1	

