

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(MARK ONE)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2026

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM ____ TO ____

COMMISSION FILE NUMBER 1-10596

ESCO TECHNOLOGIES INC.

(Exact name of registrant as specified in its charter)

MISSOURI
(State or other jurisdiction of
incorporation or organization)

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

645 MARYVILLE CENTRE DR., SUITE 300
ST. LOUIS, MISSOURI
(Address of principal executive offices)

63141-5855
(Zip Code)

(314) 213-7200

(Registrant's telephone number, including area code)

Securities registered pursuant to section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	ESE	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Shares outstanding at July 31, 2026
Common stock, \$.01 par value per share	25,907,567

ITEM 1. FINANCIAL STATEMENTS

ESCO TECHNOLOGIES INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(Dollars in thousands, except per share amounts)

	Three Months Ended June 30,	
	2026	2025
Net sales	\$ 339,027	296,344
Costs and expenses:		
Cost of sales	197,508	174,350
Selling, general and administrative expenses	71,002	62,042
Amortization of intangible assets	20,342	16,753
Interest expense, net	8,713	7,921
Other expenses, net	508	2,209
Total costs and expenses	298,073	263,275
Earnings before income taxes	40,954	33,069
Income tax expense	8,219	8,314
Earnings from continuing operations	32,735	24,755
Earnings from discontinued operations, net of tax expense of \$0 and \$599	—	1,310
Net earnings	\$ 32,735	26,065
Earnings per share:		
Basic – Continuing operations	\$ 1.26	0.96
– Discontinued operations	0.00	0.05
– Net earnings	\$ 1.26	1.01
Diluted – Continuing operations	\$ 1.26	0.96
– Discontinued operations	0.00	0.05
– Net earnings	\$ 1.26	1.01

See accompanying notes to condensed consolidated financial statements.

ESCO TECHNOLOGIES INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(Dollars in thousands, except per share amounts)

	Nine Months Ended June 30,	
	2026	2025
Net sales	\$ 938,027	742,714
Costs and expenses:		
Cost of sales	545,274	431,068
Selling, general and administrative expenses	195,039	171,305
Amortization of intangible assets	61,086	32,735
Interest expense, net	13,992	12,373
Other expenses, net	2,340	1,947
Total costs and expenses	817,731	649,428
Earnings before income taxes	120,296	93,286
Income tax expense	25,314	21,841
Earnings from continuing operations	94,982	71,445
Earnings from discontinued operations, net of tax expense of \$363 and \$3,006	1,177	9,126
Net earnings	<u>\$ 96,159</u>	<u>80,571</u>
Earnings per share:		
Basic – Continuing operations	\$ 3.66	2.77
– Discontinued operations	0.05	0.35
– Net earnings	<u>\$ 3.71</u>	<u>3.12</u>
Diluted – Continuing operations	\$ 3.66	2.76
– Discontinued operations	0.05	0.35
– Net earnings	<u>\$ 3.71</u>	<u>3.11</u>

See accompanying notes to condensed consolidated financial statements.

ESCO TECHNOLOGIES INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(Dollars in thousands)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
Net earnings	\$ 32,735	26,065	96,159	80,571
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	(2,116)	23,075	(12,959)	13,180
Total other comprehensive income (loss), net of tax	(2,116)	23,075	(12,959)	13,180
Comprehensive income	<u>\$ 30,619</u>	<u>49,140</u>	<u>83,200</u>	<u>93,751</u>

See accompanying notes to condensed consolidated financial statements.

ESCO TECHNOLOGIES INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(Dollars in thousands)

	June 30, 2026	September 30, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 73,236	101,350
Accounts receivable, net of allowance for credit losses of \$2,712 and \$3,205, respectively	267,493	253,554
Contract assets	127,620	90,730
Inventories	240,542	217,807
Other current assets	46,620	25,065
Total current assets	755,511	688,506
Property, plant and equipment, net of accumulated depreciation of \$200,107 and \$186,796, respectively	175,282	172,493
Intangible assets, net of accumulated amortization of \$348,052 and \$286,965, respectively	664,450	723,973
Goodwill	760,275	761,931
Operating lease assets	47,271	47,707
Other assets	17,214	15,778
Total assets	<u>\$ 2,420,003</u>	<u>2,410,388</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	\$ 20,000	20,000
Accounts payable	116,539	96,534
Contract liabilities	288,142	216,590
Accrued salaries	54,995	53,301
Income tax payable - current	5,754	62,007
Accrued other expenses	61,263	59,716
Total current liabilities	546,693	508,148
Deferred tax liabilities	115,333	112,390
Non-current operating lease liabilities	44,107	44,403
Other liabilities	31,608	38,576
Long-term debt	65,000	166,000
Total liabilities	802,741	869,517
Shareholders' equity:		
Preferred stock, par value \$.01 per share, authorized 10,000,000 shares	—	—
Common stock, par value \$.01 per share, authorized 50,000,000 shares, issued 30,964,140 and 30,886,024 shares, respectively	310	309
Additional paid-in capital	315,600	316,194
Retained earnings	1,463,854	1,373,911
Accumulated other comprehensive income (loss), net of tax	(15,427)	(2,468)
	1,764,337	1,687,946
Less treasury stock, at cost: 5,056,771 and 5,056,771 common shares, respectively	(147,075)	(147,075)
Total shareholders' equity	1,617,262	1,540,871
Total liabilities and shareholders' equity	<u>\$ 2,420,003</u>	<u>2,410,388</u>

See accompanying notes to condensed consolidated financial statements.

ESCO TECHNOLOGIES INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Dollars in thousands)

	Nine Months Ended June 30,	
	2026	2025
Cash flows from operating activities:		
Net earnings	\$ 96,159	80,571
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Earnings from discontinued operations, net of tax	(1,177)	(9,126)
Depreciation and amortization	80,073	48,401
Stock compensation expense	10,182	7,934
Changes in assets and liabilities	2,983	(33,473)
Effect of deferred taxes	5,157	(6,008)
Net cash provided by operating activities – continuing operations	193,377	88,299
Net cash (used) provided by operating activities – discontinued operations	(59,340)	43,703
Net cash provided by operating activities	134,037	132,002
Cash flows from investing activities:		
Acquisition of business, net of cash acquired	(10,232)	(472,006)
Capital expenditures	(24,560)	(24,210)
Additions to capitalized software and other	(7,874)	(13,018)
Net cash used by investing activities – continuing operations	(42,666)	(509,234)
Net cash provided (used) by investing activities – discontinued operations	1,540	(966)
Net cash used by investing activities	(41,126)	(510,200)
Cash flows from financing activities:		
Proceeds from long-term debt	130,000	645,000
Principal payments on long-term debt	(231,000)	(242,000)
Debt issuance costs	(1,293)	—
Dividends paid	(6,216)	(6,196)
Other	(10,646)	(6,205)
Net cash used by financing activities – continuing operations	(119,155)	390,599
Net cash used by financing activities – discontinued operations	—	—
Net cash used by financing activities	(119,155)	390,599
Effect of exchange rate changes on cash and cash equivalents	(1,870)	452
Net (decrease) increase in cash and cash equivalents	(28,114)	12,853
Cash and cash equivalents, beginning of period	101,350	65,963
Cash and cash equivalents, end of period	\$ 73,236	78,816
Supplemental cash flow information:		
Interest paid	\$ 13,587	16,038
Income taxes paid (including state and foreign)	\$ 71,905	29,059

See accompanying notes to condensed consolidated financial statements.

1. BASIS OF PRESENTATION

The accompanying condensed consolidated financial statements, in the opinion of management, include all adjustments, consisting of normal recurring accruals, necessary for a fair presentation of the results for the interim periods presented. The condensed consolidated financial statements are presented in accordance with the requirements of Form 10-Q and consequently do not include all the disclosures required for annual financial statements by accounting principles generally accepted in the United States of America (GAAP). For further information refer to the consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2025.

The Company's results for the three and nine-month periods ended June 30, 2026 are not necessarily indicative of the results for the entire 2026 fiscal year. References to the third quarters of 2026 and 2025 represent the fiscal quarters ended June 30, 2026 and 2025, respectively. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Actual results could differ from those estimates.

2. EARNINGS PER SHARE (EPS)

Basic EPS is calculated using the weighted average number of common shares outstanding during the period. Diluted EPS is calculated using the weighted average number of common shares outstanding during the period plus shares issuable upon the assumed exercise of unvested performance-based share awards and time-vested restricted shares by using the treasury stock method. The number of shares used in the calculation of earnings per share for each period presented is as follows (in thousands):

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
Weighted Average Shares Outstanding — Basic	25,907	25,825	25,887	25,806
Dilutive Shares	73	93	45	70
Adjusted Shares — Diluted	<u>25,980</u>	<u>25,918</u>	<u>25,932</u>	<u>25,876</u>

3. SHARE-BASED COMPENSATION

The Company provides compensation benefits to certain key employees under several share-based plans providing for a combination of performance-based share unit (PSU) awards and time-vested restricted share unit (RSU) awards and to non-employee directors under a separate compensation plan.

Performance Share Unit (PSU) Awards and Time-Vested Restricted Stock Unit (RSU) Awards

Compensation expense related to these awards was \$3.3 million and \$9.2 million for the three and nine-month periods ended June 30, 2026, respectively, and \$2.3 million and \$6.9 million for the corresponding periods in 2025. As of June 30, 2026, there were 167,759 unvested stock units outstanding.

Non-Employee Directors Plan

Compensation expense related to the non-employee director grants was \$0.3 million and \$1.0 million for the three and nine-month periods ended June 30, 2026, respectively, and \$0.4 million and \$1.0 million for the corresponding periods in 2025.

The total share-based compensation cost that has been recognized in the results of operations and included within selling, general and administrative expenses (SG&A) was \$3.6 million and \$10.2 million for the three and nine-month periods ended June 30, 2026, respectively, and \$2.6 million and \$7.9 million for the corresponding periods in 2025. The total income tax benefit recognized in results of operations for share-based compensation arrangements was \$0.7 million and \$2.0 million for the three- and nine-month periods ended June 30, 2026, respectively, and \$0.5 million and \$1.6 million for the corresponding periods in 2025. As of June 30, 2026, there was \$15.6 million of total unrecognized compensation cost related to share-based compensation arrangements. That cost is expected to be recognized over a remaining weighted-average period of 1.8 years.

4. INVENTORIES

Inventories from continuing operations consist of the following:

(In thousands)	June 30, 2026	September 30, 2025
Finished goods	\$ 55,739	52,644
Work in process	59,650	46,825
Raw materials	125,153	118,338
Total inventories	<u>\$ 240,542</u>	<u>217,807</u>

5. GOODWILL AND OTHER INTANGIBLE ASSETS

Included on the Company's condensed Consolidated Balance Sheets at June 30, 2026 and September 30, 2025 are the following intangible assets gross carrying amounts and accumulated amortization from continuing operations:

(Dollars in thousands)	June 30, 2026	September 30, 2025
Goodwill	<u>\$ 760,275</u>	<u>761,931</u>
Intangible assets with determinable lives:		
Patents		
Gross carrying amount	\$ 7,918	7,607
Less: accumulated amortization	2,161	1,775
Net	<u>\$ 5,757</u>	<u>5,832</u>
Capitalized software		
Gross carrying amount	\$ 146,078	138,144
Less: accumulated amortization	108,658	100,818
Net	<u>\$ 37,420</u>	<u>37,326</u>
Customer relationships		
Gross carrying amount	\$ 619,890	625,535
Less: accumulated amortization	188,725	159,543
Net	<u>\$ 431,165</u>	<u>465,992</u>
Other		
Gross carrying amount	\$ 76,401	76,991
Less: accumulated amortization	48,506	24,829
Net	<u>\$ 27,895</u>	<u>52,162</u>
Intangible assets with indefinite lives:		
Trade names	<u>\$ 162,213</u>	<u>162,661</u>

The changes in the carrying amount of goodwill attributable to each business segment from continuing operations for the nine months ended June 30, 2026 is as follows:

(Dollars in millions)	A&D	Test	USG	Total
Balance as of September 30, 2025	\$ 334.0	67.8	360.1	761.9
Acquisition activity and other	5.1	—	—	5.1
Foreign currency translation	(3.0)	(0.9)	(2.8)	(6.7)
Balance as of June 30, 2026	<u>\$ 336.1</u>	<u>66.9</u>	<u>357.3</u>	<u>760.3</u>

6. BUSINESS SEGMENT INFORMATION

We adopted the provisions of ASU 2023-07 Segment Reporting for the year ended September 30, 2025. We are organized based on the products and services we offer, and we classify our business operations in three reportable segments for financial reporting purposes: Aerospace & Defense (A&D), Utility Solutions Group (USG) and RF Test & Measurement (Test). Corporate is not a reportable segment, but it is included for reconciliation purposes.

The A&D segment's operations consist of PTI, Crissair, Globe, Mayday, and Maritime. Previously, A&D also included VACCO Industries which was sold in July 2025 and is reported in discontinued operations. The companies within this segment primarily design and manufacture specialty filtration, fluid control and naval products, including hydraulic filter elements and fluid control devices used in aerospace and defense applications; custom designed filters for manned aircraft and submarines; products and systems to reduce vibration and/or acoustic signatures and otherwise reduce or obscure a vessel's signature, power management and control equipment; sealing, surface control and hydrodynamic related applications to enhance U.S. and UK Navy maritime survivability; precision-tolerance machined components for the aerospace and defense industry; metal processing services; and miniature electro-explosive devices utilized in mission-critical defense and aerospace applications.

The USG segment's operations consist of Doble Engineering Company and related subsidiaries including Morgan Schaffer and Altanova/ISA (collectively, Doble), and NRG. Doble is an industry leader in the development, manufacture and delivery of diagnostic testing and data management solutions that enable electric power grid operators to assess the integrity of high-voltage power delivery equipment, and Altanova/ISA's strong market presence in Europe and Asia provides Doble with a significant international platform. Doble combines three core elements for customers – diagnostic test and condition monitoring instruments, expert consulting, and testing services – and provides access to its large reserve of related empirical knowledge. NRG is a global market leader in the design and manufacture of decision support tools for the renewable energy industry, primarily wind and solar.

The Test segment's operations consist of ETS-Lindgren Inc., including its related subsidiaries, and MPE Limited (collectively, ETS-Lindgren). ETS-Lindgren is an industry leader in designing and manufacturing products and systems to measure and control RF energy. It serves the medical, health and safety, electronics, wireless communications, automotive and defense markets, supplying a broad range of turnkey systems, including RF test facilities and measurement systems, RF and magnetically shielded rooms and secure communication facilities, and providing the design, program management, installation and integration services required to successfully complete these types of facilities. It also supplies a broad range of components including RF absorptive materials, filters, antennas, field probes, test cells, proprietary measurement software and other test accessories required to perform a variety of tests and measurements, and offers a variety of services including calibration and product tests.

Accounting policies of the segments are the same as those described in the summary of significant accounting policies in Note 1 to the Consolidated Financial Statements in the Company's Form 10-K for the year ended September 30, 2025. The operating units within each reporting segment have been aggregated because of similar economic characteristics and meet the other aggregation criteria of FASB ASC 280, *Segment Reporting*.

Our CODM, who is our Chief Executive Officer, evaluates each segment's performance and allocates resources based on segment EBIT, which is defined as earnings before interest and taxes. EBIT is a non-GAAP financial measure and is reconciled to consolidated earnings before income taxes below for continuing operations. Intersegment sales and transfers are not significant. Segment assets consist primarily of customer receivables, inventories, capitalized software and fixed assets directly associated with the production processes of the segment. Segment depreciation and amortization is based upon the direct assets listed above. Corporate assets consist primarily of acquired intangible assets including goodwill, deferred taxes and cash balances. The tables below are presented on the basis of continuing operations and exclude discontinued operations.

Three Months Ended June 30, 2026
(In thousands)

	A&D	USG	Test	Segment Total
Net Sales	\$ 168,202	99,963	70,862	339,027
Cost of sales	100,724	48,267	48,518	
SG&A expense	16,694	27,668	10,116	
Amortization of intangible assets	148	1,983	503	
Other expenses, net	218	62	843	
Segment profit	<u>\$ 50,418</u>	<u>21,983</u>	<u>10,882</u>	<u>83,283</u>
Depreciation and Amortization	\$ 3,456	4,082	1,433	8,971
Segment Assets	\$ 445,178	285,583	200,907	931,668
Capital Expenditures	<u>\$ 8,943</u>	<u>1,767</u>	<u>662</u>	<u>11,372</u>

Reconciliation of segment profit to Earnings before Income Taxes

Segment profit total from above	\$ 83,283
Less:	
Unallocated Corporate SG&A and Other expenses, net	(15,907)
Unallocated amortization of intangible assets	(17,709)
Interest expense, net	(8,713)
Earnings before Income Taxes	<u>\$ 40,954</u>

Reconciliation of segment depreciation and amortization to consolidated totals

Segment Depreciation and Amortization	\$ 8,971
Add: Corporate Depreciation and Amortization	17,772
Consolidated totals	<u>\$ 26,743</u>

Reconciliation of segment assets to consolidated totals

Segment Assets total	\$ 931,668
Add:	
Goodwill not allocated to segments	760,275
Acquired intangible assets not allocated to segments	621,272 (1)
Other unallocated amounts	106,788
Consolidated totals	<u>\$ 2,420,003</u>

(1) Consists of customer relationships, trade names and other intangible assets. See Note 5 for details.

Reconciliation of segment capital expenditures to consolidated totals

Segment Capital Expenditures	\$ 11,372
Add: Corporate Capital Expenditures	55
Consolidated totals	<u>\$ 11,427</u>

	A&D	USG	Test	Segment Total
Net Sales	\$ 462,341	280,976	194,710	938,027
Cost of sales	280,995	131,540	132,739	
SG&A expense	49,203	78,582	30,003	
Amortization of intangible assets	464	6,061	1,525	
Other expenses, net	307	795	2,746	
Segment profit	<u>\$ 131,372</u>	<u>63,998</u>	<u>27,697</u>	<u>223,067</u>
Depreciation and Amortization	\$ 10,203	12,288	4,354	26,845
Segment Assets	\$ 445,178	285,583	200,907	931,668
Capital Expenditures	<u>\$ 18,397</u>	<u>4,399</u>	<u>1,653</u>	<u>24,449</u>

Reconciliation of segment profit to Earnings before Income Taxes

Segment profit total from above				\$ 223,067
Less:				
Unallocated Corporate SG&A and Other expenses, net				(35,742)
Unallocated amortization of intangible assets				(53,037)
Interest expense, net				(13,992)
Earnings before Income Taxes				<u>\$ 120,296</u>

Reconciliation of segment depreciation and amortization to consolidated totals

Segment Depreciation and Amortization				\$ 26,845
Add: Corporate Depreciation and Amortization				53,228
Consolidated totals				<u>\$ 80,073</u>

Reconciliation of segment assets to consolidated totals

Segment Assets total				\$ 931,668
Add:				
Goodwill not allocated to segments				760,275
Acquired intangible assets not allocated to segments				621,272 (1)
Other unallocated amounts				106,788
Consolidated totals				<u>\$ 2,420,003</u>

(1) Consists of customer relationships, trade names and other intangible assets. See Note 5 for details.

Reconciliation of segment capital expenditures to consolidated totals

Segment Capital Expenditures				\$ 24,449
Add: Corporate Capital Expenditures				111
Consolidated totals				<u>\$ 24,560</u>

	A&D	USG	Test	Segment Total
Net Sales	\$ 136,324	92,357	67,663	296,344
Cost of sales	84,644	43,721	46,110	
SG&A expense	14,082	24,058	9,738	
Amortization of intangible assets	201	2,327	532	
Other expenses, net	820	711	551	
Segment profit	\$ 36,577	21,540	10,732	68,849
Depreciation and Amortization	\$ 3,059	4,246	1,496	8,801
Segment Assets	\$ 369,770	285,887	190,341	845,998
Capital Expenditures	\$ 4,629	2,054	934	7,617

Reconciliation of segment profit to Earnings before Income Taxes

Segment profit total from above	\$ 68,849
Less:	
Unallocated Corporate SG&A and Other expenses, net	(14,166)
Unallocated amortization of intangible assets	(13,693)
Interest expense, net	(7,921)
Earnings before Income Taxes	\$ 33,069

Reconciliation of segment depreciation and amortization to consolidated totals

Segment Depreciation and Amortization	\$ 8,801
Add: Corporate Depreciation and Amortization	13,559
Consolidated totals	\$ 22,360

Reconciliation of segment assets to consolidated totals

Segment Assets total	\$ 845,998
Add:	
Goodwill not allocated to segments	760,555
Acquired intangible assets not allocated to segments	701,650
Other unallocated amounts	106,842
Consolidated totals	\$ 2,415,045

(1) Consists of customer relationships, trade names and other intangible assets.

Reconciliation of segment capital expenditures to consolidated totals

Segment Capital Expenditures	\$ 7,617
Add: Corporate Capital Expenditures	1,728
Consolidated totals	\$ 9,345

	A&D	USG	Test	Segment Total
Net Sales	\$ 307,819	269,784	165,111	742,714
Cost of sales	192,760	126,481	112,082	
SG&A expense	35,544	74,317	28,487	
Amortization of intangible assets	742	6,417	1,608	
Other expenses (income), net	527	(239)	1,411	
Segment profit	\$ 78,246	62,808	21,523	162,577
Depreciation and Amortization	\$ 8,545	11,998	4,225	24,768
Segment Assets	\$ 369,770	285,887	190,341	845,998
Capital Expenditures	\$ 10,552	7,639	3,439	21,630

Reconciliation of segment profit to Earnings before Income Taxes

Segment profit total from above	\$ 162,577
Less:	
Unallocated Corporate SG&A and Other expenses, net	(32,950)
Unallocated amortization of intangible assets	(23,968)
Interest expense, net	(12,373)
Earnings before Income Taxes	\$ 93,286

Reconciliation of segment depreciation and amortization to consolidated totals

Segment Depreciation and Amortization	\$ 24,768
Add: Corporate Depreciation and Amortization	23,633
Consolidated totals	\$ 48,401

Reconciliation of segment assets to consolidated totals

Segment Assets total	\$ 845,998
Add:	
Goodwill not allocated to segments	760,555
Acquired intangible assets not allocated to segments	701,650
Other unallocated amounts	106,842
Consolidated totals	\$ 2,415,045

(1) Consists of customer relationships, trade names and other intangible assets.

Reconciliation of segment capital expenditures to consolidated totals

Segment Capital Expenditures	\$ 21,630
Add: Corporate Capital Expenditures	2,580
Consolidated totals	\$ 24,210

Non-GAAP Financial Measures

The financial measure “EBIT” is presented in the above tables and elsewhere in this Report. EBIT on a consolidated basis is a non-GAAP financial measure. Management believes that EBIT is useful in assessing the operational profitability of the Company’s business segments because it excludes interest and taxes, 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. A reconciliation of EBIT to net earnings is set forth in Item 2, Management’s Discussion and Analysis of Financial Condition and Results of Operations – EBIT.

The Company believes that the presentation of EBIT provides important supplemental information to investors to facilitate comparisons with other companies, many of which use similar non-GAAP financial measures to supplement their GAAP results. However, the Company's non-GAAP financial measures may not be comparable to other companies' non-GAAP financial performance measures. Furthermore, the use of non-GAAP financial measures is not intended to replace any measures of performance determined in accordance with GAAP.

7. DEBT

The Company's debt is summarized as follows:

(In thousands)	June 30, 2026	September 30, 2025
Revolving credit facility	\$ 45,000	25,000
Incremental facility (Term loan A)	40,000	161,000
Total borrowings	\$ 85,000	186,000
Current portion of long-term debt	(20,000)	(20,000)
Total long-term debt, less current portion	<u>\$ 65,000</u>	<u>166,000</u>

The Company's current credit facility (the Existing Credit Facility) includes a \$500 million revolving line of credit as well as provisions allowing for the increase of the credit facility commitment amount by an additional \$250 million, if necessary, with the consent of the lenders. The bank syndication supporting the facility is comprised of a diverse group of seven banks led by JP Morgan Chase Bank, N.A., as administrative agent, Bank of America, N.A., as syndication agent, and Commerce Bank and TD Bank, N.A. as co-documentation agents. The Existing Credit Facility matures August 30, 2028, with balance due by this date.

On August 5, 2024, the Company and certain of its subsidiaries entered into Amendment No. 1 to the Existing Credit Facility which, among other things, (i) implemented a senior incremental delayed draw term loan credit facility in an aggregate principal amount of up to \$375 million (the Incremental Facility), and (ii) permitted the direct or indirect acquisition by the Registrant or certain of its subsidiaries of all the issued and outstanding shares of PMES I Limited, Measurement Systems, Inc., EMS Development Corporation, and DNE Technologies, Inc. (the Maritime Acquisition). During the third quarter of 2025, the proceeds of the loans drawn under the Incremental Facility were applied to pay a portion of the cash consideration for the Maritime Acquisition and other customary fees, premiums, expenses and costs incurred in connection with the acquisition. The Incremental Facility matures August 30, 2028, with balance due by this date.

At June 30, 2026, the Company had approximately \$442 million available to borrow under the Existing Credit Facility, plus the \$250 million increase option subject to the lenders' consent, in addition to \$73.2 million cash on hand. The Company classified \$20 million as the current portion of long-term debt as of June 30, 2026, as the Company intends to repay this amount as obligated by the repayment terms of the Incremental Facility within the next twelve months. The letters of credit issued and outstanding under the Credit Facility totaled \$12.7 million at June 30, 2026.

Interest on borrowings under the Existing Credit Facility and the Incremental Facility is calculated at a spread ranging from 0.25% to 2.25% over either an Adjusted Term SOFR Rate, Adjusted EURIBOR Rate, Adjusted CDOR Rate, Alternate Base Rate or Daily Simple RFR, at the Company's election. The Existing Credit Facility also requires a facility fee ranging from 12.5 to 25 basis points per annum. The interest rate spreads and the facility fee are subject to increase or decrease depending on the Company's leverage ratio. The weighted average interest rates under the Existing Credit Facility were 4.98% and 5.18% for the three and nine-month periods ending June 30, 2026, respectively, and 6.03% and 5.99% for the three- and nine-month periods ending June 30, 2025. The weighted average interest rate under the Incremental Facility was 5.25% and 5.40% for the three and nine-month periods ending June 30, 2026. As of June 30, 2026, the Company was in compliance with all covenants.

On May 29, 2026, to finance the Company's anticipated purchase of Megger Group Limited pursuant to a share purchase agreement entered into on April 15, 2026 (the Transaction), the Company and certain of its subsidiaries entered into a Credit Agreement with JPMorgan Chase Bank, N.A. as administrative agent, Bank of America, N.A. as syndication agent, and a diverse group of other banks (the New Credit Facility). The New Credit Facility will become effective subject to several conditions, including (and substantially concurrently with) the consummation of the Transaction and will replace the Existing Credit Facility on the Transaction closing date (the Effective Date). The New Credit Facility provides for (i) a senior secured revolving credit facility in an initial aggregate commitment amount of \$500 million, (ii) a senior secured term loan A facility in an initial aggregate principal amount of \$500 million, and (iii) a senior secured term loan B facility in an initial aggregate principal amount of \$500 million. Through a credit facility expansion option, the Company may elect to increase the aggregate amount of the revolving credit facility or obtain incremental term loans in any agreed currency up to the U.S. Dollar equivalent of (a) the greater of (x) \$451 million or (y) 100% of Consolidated EBITDA (as defined and for periods set forth therein) plus (b) additional amounts subject to certain terms and conditions (including compliance with certain maximum leverage ratios). In addition to loans drawn down by the Company, certain of the Company's foreign subsidiaries may draw loans on the New Credit Facility. Under the New Credit Facility, the revolving credit facility and term loan A will mature five years after the Effective Date and term loan B will mature seven years after the Effective Date.

8. INCOME TAX EXPENSE

The third quarter 2026 effective income tax rate from continuing operations was 20.1% compared to 25.1% in the third quarter of 2025. The effective income tax rate from continuing operations in the first nine months of 2026 was 21.0% compared to 23.4% for the first nine months of 2025. Income tax expense in the third quarter and first nine months of 2026 was favorably impacted by return-to-provision adjustments recognized upon finalization of the 2025 federal income tax return, including an increase to the federal research credit. Income tax expense in the third quarter and first nine months of 2025 was unfavorably impacted by income tax consequences associated with the acquisition of Maritime, including non-deductible transaction costs.

9. SHAREHOLDERS' EQUITY

The change in shareholders' equity for the first three and nine months of 2026 and 2025 is shown below (in thousands):

	<u>Three Months Ended June 30,</u>		<u>Nine Months Ended June 30,</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Common stock				
Beginning balance	\$ 310	309	309	308
Stock plans	—	—	1	1
Ending balance	<u>\$ 310</u>	<u>309</u>	<u>310</u>	<u>309</u>
Additional paid-in-capital				
Beginning balance	\$ 312,304	311,438	316,194	311,942
Stock plans	3,296	2,211	(594)	1,707
Ending balance	<u>\$ 315,600</u>	<u>313,649</u>	<u>315,600</u>	<u>313,649</u>
Retained earnings				
Beginning balance	\$ 1,433,192	1,133,326	1,373,911	1,082,950
Net earnings common stockholders	32,735	26,065	96,159	80,571
Dividends paid	(2,073)	(2,066)	(6,216)	(6,196)
Ending balance	<u>\$ 1,463,854</u>	<u>1,157,325</u>	<u>1,463,854</u>	<u>1,157,325</u>
Accumulated other comprehensive income (loss)				
Beginning balance	\$ (13,311)	(20,670)	(2,468)	(10,775)
Foreign currency translation	(2,116)	23,076	(12,959)	13,181
Ending balance	<u>\$ (15,427)</u>	<u>2,406</u>	<u>(15,427)</u>	<u>2,406</u>
Treasury stock				
Beginning balance	\$ (147,075)	(147,075)	(147,075)	(147,075)
Share repurchases	—	—	—	—
Ending balance	<u>\$ (147,075)</u>	<u>(147,075)</u>	<u>(147,075)</u>	<u>(147,075)</u>
Total equity	<u>\$ 1,617,262</u>	<u>1,326,614</u>	<u>1,617,262</u>	<u>1,326,614</u>

10. FAIR VALUE MEASUREMENTS

The accounting guidance establishes a three-level hierarchy for disclosure of fair value measurements, based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date, as follows:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Financial Assets and Liabilities

The Company has estimated the fair value of its financial instruments as of June 30, 2026 and September 30, 2025 using available market information or other appropriate valuation methodologies. The carrying amounts of cash and cash equivalents, receivables, inventories, payables, and other current assets and liabilities approximate fair value because of the short maturity of those instruments. The carrying amounts due under the revolving credit facility approximate fair value as the interest on outstanding borrowings is calculated at a spread over either an Adjusted Term SOFR Rate, Adjusted EURIBOR Rate, Adjusted CDOR Rate, Alternate Base Rate or Daily Simple RFR, at the Company's election.

The Company's forward contracts and interest rate swaps are classified within Level 2 of the valuation hierarchy in accordance with FASB Accounting Standards Codification (ASC) 825 and are immaterial.

Nonfinancial Assets and Liabilities

The Company's nonfinancial assets such as property, plant and equipment, and other intangible assets are not measured at fair value on a recurring basis; however, they are subject to fair value adjustments in certain circumstances, such as when there is evidence that an impairment may exist. No impairments were recorded during the three and nine-month periods ended June 30, 2026.

11. REVENUES

Disaggregation of Revenues

The tables below present our revenues from continuing operations by customer type, geographic location, and revenue recognition method for the three and nine-month periods ending June 30, 2026, as we believe this presentation best depicts how the nature, amount, timing and uncertainty of net sales and cash flows are affected by economic factors.

Three months ended June 30, 2026
(In thousands)

	A&D	USG	Test	Total
Customer type:				
Commercial	\$ 51,604	97,572	54,850	204,026
Government	116,598	2,391	16,012	135,001
Total revenues	<u>\$ 168,202</u>	<u>99,963</u>	<u>70,862</u>	<u>339,027</u>
Geographic location:				
United States	\$ 110,189	63,722	44,222	218,133
International	58,013	36,241	26,640	120,894
Total revenues	<u>\$ 168,202</u>	<u>99,963</u>	<u>70,862</u>	<u>339,027</u>
Revenue recognition method:				
Point in time	\$ 72,978	80,818	13,608	167,404
Over time	95,224	19,145	57,254	171,623
Total revenues	<u>\$ 168,202</u>	<u>99,963</u>	<u>70,862</u>	<u>339,027</u>

Nine months ended June 30, 2026
(In thousands)

	A&D	USG	Test	Total
Customer type:				
Commercial	\$ 153,336	273,291	156,396	583,023
Government	309,005	7,685	38,314	355,004
Total revenues	<u>\$ 462,341</u>	<u>280,976</u>	<u>194,710</u>	<u>938,027</u>
Geographic location:				
United States	\$ 302,584	183,319	121,276	607,179
International	159,757	97,657	73,434	330,848
Total revenues	<u>\$ 462,341</u>	<u>280,976</u>	<u>194,710</u>	<u>938,027</u>
Revenue recognition method:				
Point in time	\$ 209,389	224,333	40,908	474,630
Over time	252,952	56,643	153,802	463,397
Total revenues	<u>\$ 462,341</u>	<u>280,976</u>	<u>194,710</u>	<u>938,027</u>

Revenues from continuing operations by customer type, geographic location, and revenue recognition method for the three and nine-month periods ended June 30, 2025 are presented in the tables below.

Three months ended June 30, 2025
(In thousands)

	A&D	USG	Test	Total
Customer type:				
Commercial	\$ 57,297	87,653	50,591	195,541
Government	79,027	4,704	17,072	100,803
Total revenues	<u>\$ 136,324</u>	<u>92,357</u>	<u>67,663</u>	<u>296,344</u>
Geographic location:				
United States	\$ 94,518	63,062	36,188	193,768
International	41,806	29,295	31,475	102,576
Total revenues	<u>\$ 136,324</u>	<u>92,357</u>	<u>67,663</u>	<u>296,344</u>
Revenue recognition method:				
Point in time	\$ 66,833	74,143	11,123	152,099
Over time	69,491	18,214	56,540	144,245
Total revenues	<u>\$ 136,324</u>	<u>92,357</u>	<u>67,663</u>	<u>296,344</u>

Nine months ended June 30, 2025
(In thousands)

	A&D	USG	Test	Total
Customer type:				
Commercial	\$ 151,756	261,581	124,831	538,168
Government	156,063	8,203	40,280	204,546
Total revenues	<u>\$ 307,819</u>	<u>269,784</u>	<u>165,111</u>	<u>742,714</u>
Geographic location:				
United States	\$ 226,444	173,121	97,086	496,651
International	81,375	96,663	68,025	246,063
Total revenues	<u>\$ 307,819</u>	<u>269,784</u>	<u>165,111</u>	<u>742,714</u>
Revenue recognition method:				
Point in time	\$ 166,191	216,423	32,522	415,136
Over time	141,628	53,361	132,589	327,578
Total revenues	<u>\$ 307,819</u>	<u>269,784</u>	<u>165,111</u>	<u>742,714</u>

Revenue Recognition

Payment terms with our customers vary by the type and location of the customer and the products or services offered. Arrangements with customers that include payment terms extending beyond one year are not significant. The transaction price for these contracts reflects our estimate of returns and discounts, which are based on historical, current and forecasted information to determine the expected amount to which we will be entitled in exchange for transferring the promised goods or services to the customer. The realization of variable consideration occurs within a short period of time from product delivery; therefore, the time value of money effect is not significant. We primarily provide standard warranty programs for products in our commercial businesses for periods that typically range from one to two years. These assurance-type programs typically cannot be purchased separately and do not meet the criteria to be considered a performance obligation. Under the typical payment terms of our long term fixed price contracts, the customer pays us either performance-based or progress payments. Performance-based payments represent interim payments based on quantifiable measures of performance or on the achievement of specified events or milestones. Progress payments are interim payments of costs incurred as the work progresses.

For our overtime revenue recognized using the output method of costs incurred, contract cost is estimated utilizing current contract specifications and expected engineering requirements. Contract costs typically are incurred over a period of several months to one or more years, and the estimation of these costs requires judgment. Our cost estimation process is based on the professional knowledge and experience of engineers and program managers along with finance professionals. We review and update our projections of costs quarterly or more frequently when circumstances significantly change. In addition, in the USG segment, we recognize revenue as a series of distinct services based on each day of providing services (straight-line over the contract term) for certain of our USG segment contracts. Under the typical payment terms of our service contracts, the customer pays us in advance of when services are performed. In addition, in the Test segment, we use milestones to measure progress for our Test segment contracts because it best depicts the transfer of control to the customer that occurs as we incur costs on our contracts.

Remaining Unsatisfied Performance Obligations

Remaining unsatisfied performance obligations, as defined by ASC 606 and align with our backlog, represent the expected transaction price allocated to contracts that the Company expects to recognize as revenue in future periods when the Company performs under the contracts. These remaining obligations include amounts that have been formally appropriated under contracts with the U.S. Government, and exclude unexercised contract options and potential orders under ordering-type contracts such as Indefinite Delivery, Indefinite Quantity contracts. At June 30, 2026, the Company had \$1,540.5 million in remaining performance obligations of which the Company expects to recognize revenues of approximately 59% in the next twelve months.

Contract assets, contract liabilities and accounts receivable

Assets and liabilities related to contracts with customers are reported on a contract-by-contract basis at the end of each reporting period. At June 30, 2026, contract assets, contract liabilities and accounts receivable totaled \$127.6 million, \$293.4 million and \$267.5 million, respectively. During the first nine months of 2026, the Company recognized approximately \$74 million in revenues that were included in the contract liabilities balance at September 30, 2025. At September 30, 2025, contract assets, contract liabilities and accounts receivable from continuing operations totaled \$90.7 million, \$224.7 million and \$253.6 million, respectively.

12. LEASES

The Company determines at lease inception whether an arrangement that provides control over the use of an asset is a lease. The Company recognizes at lease commencement a right-of-use (ROU) asset and lease liability based on the present value of the future lease payments over the lease term. The Company has elected not to recognize a ROU asset and lease liability for leases with terms of 12 months or less. Certain of the Company's leases include options to extend the term of the lease for up to 20 years. When it is reasonably certain that the Company will exercise the option, Management includes the impact of the option in the lease term for purposes of determining total future lease payments. As most of the Company's lease agreements do not explicitly state the discount rate implicit in the lease, Management uses the Company's incremental borrowing rate on the commencement date to calculate the present value of future payments based on the tenor of each arrangement.

The Company's leases for real estate commonly include escalating payments. These variable lease payments are included in the calculation of the ROU asset and lease liability. In addition to the present value of the future lease payments, the calculation of the ROU asset also includes any deferred rent, lease pre-payments and initial direct costs of obtaining the lease.

In addition to the base rent, real estate leases typically contain provisions for common-area maintenance and other similar services, which are considered non-lease components for accounting purposes. Non-lease components are excluded from our ROU assets and lease liabilities and expensed as incurred.

The Company's leases are for office space, manufacturing facilities, and selective machinery and equipment.

The components of lease costs are shown below:

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025
(Dollars in thousands)		
Finance lease cost		
Amortization of right-of-use assets	\$ 372	372
Interest on lease liabilities	184	199
Operating lease cost	2,233	2,067
Total lease costs	<u>\$ 2,789</u>	<u>2,638</u>

	Nine Months Ended June 30, 2026	Nine Months Ended June 30, 2025
(Dollars in thousands)		
Finance lease cost		
Amortization of right-of-use assets	\$ 1,116	1,116
Interest on lease liabilities	563	607
Operating lease cost	6,665	5,528
Total lease costs	<u>\$ 8,344</u>	<u>7,251</u>

Additional information related to leases are shown below:

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025
(Dollars in thousands)		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 2,149	1,958
Operating cash flows from finance leases	\$ 184	199
Financing cash flows from finance leases	\$ 390	358
Right-of-use assets obtained in exchange for operating lease liabilities	\$ —	10,259

	Nine Months Ended June 30, 2026	Nine Months Ended June 30, 2025
(Dollars in thousands)		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 6,266	5,271
Operating cash flows from finance leases	\$ 563	607
Financing cash flows from finance leases	\$ 1,157	1,065
Right-of-use assets obtained in exchange for operating lease liabilities	\$ 4,609	14,232

	June 30, 2026	June 30, 2025
Weighted-average remaining lease term		
Operating leases	9.0 years	9.6 years
Finance leases	9.1 years	9.8 years
Weighted-average discount rate		
Operating leases	4.86 %	4.75 %
Finance leases	4.78 %	4.73 %

The following is a reconciliation of future undiscounted cash flows to the operating and finance lease liabilities, and the related ROU assets, presented on our condensed Consolidated Balance Sheet on June 30, 2026:

(Dollars in thousands) Years Ending September 30:	Operating Leases	Finance Leases
2026 (excluding the nine months ended June 30, 2026)	\$ 2,089	577
2027	8,292	2,357
2028	8,124	2,417
2029	6,643	2,478
2030 and thereafter	37,584	11,575
Total minimum lease payments	62,732	19,404
Less: amounts representing interest	12,472	4,008
Present value of net minimum lease payments	\$ 50,260	15,396
Less: current portion of lease obligations	6,153	1,647
Non-current portion of lease obligations	44,107	13,749
ROU assets	\$ 47,271	11,078

Operating lease liabilities are included in the condensed Consolidated Balance Sheet in accrued other expenses (current portion) and as a caption on the Consolidated Balance Sheet (long-term portion). Finance lease liabilities are included on the Consolidated Balance Sheet in accrued other expenses (current portion) and other liabilities (long-term portion). Operating lease ROU assets are included as a caption on the Consolidated Balance Sheet and finance lease ROU assets are included in property, plant and equipment on the Consolidated Balance sheet.

13. NEW ACCOUNTING PRONOUNCEMENTS

In November 2024, the FASB issued ASU 2024-03, “*Disaggregation of Income Statement Expenses*,” which requires disaggregated disclosure of income statement expenses for public business entities. The ASU does not change the expense captions an entity presents on the face of the income statement, rather, it requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. This ASU will be effective for fiscal years beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2027. Other than additional disclosure, we do not expect a change to our consolidated statements of operations, financial position, or cash flows.

In December 2023, the FASB issued ASU 2023-09, “*Income Taxes (Topic 740): Improvements to Income Tax Disclosures*,” which provides qualitative and quantitative updates to the rate reconciliation and income taxes paid disclosures. This ASU will be effective for fiscal years beginning after December 15, 2024. Other than additional disclosure, we do not expect a change to our consolidated statements of operations, financial position, or cash flows.

14. RELATED PARTIES

Two of the Company’s directors are officers at two customers of the Company’s Doble subsidiary. Doble sells products, leases equipment and provides testing services in the ordinary course of Doble’s business. The total amount of these sales to these two customers was approximately \$1.7 million and \$3.9 million for the three and nine-month periods ending June 30, 2026. All transactions between Doble and the two customers are intended to be and have been consistent with Doble’s normal commercial terms offered to its customers, and the Company’s Board of Directors has determined that the relationships between the Company and the customers are not material and did not impair the Company’s or the directors’ independence.

15. ACQUISITION

On April 15, 2026, the Company signed a definitive agreement to acquire the Megger Group Limited (Megger) business of TBG AG. Megger is a global provider of testing, monitoring, and data-driven solutions for utilities and critical electric infrastructure, including industrial, transportation, data center and renewable end markets. Under the terms of the agreement, ESCO will acquire Megger for total consideration of approximately \$2.35 billion, consisting of \$0.9 billion in cash and ESCO equity valued at approximately \$1.4 billion. The cash portion will be funded through existing cash on hand and incremental debt, with committed financing in place. The Company expects to complete the acquisition in the first quarter of fiscal 2027. Megger will become part of the Company’s USG segment. See further discussion of the transaction and financing arrangements in the Company’s Form 8-K’s filed April 15, 2026 and April 16, 2026.

RESULTS OF OPERATIONS

The following discussion refers to the Company's results from continuing operations, except where noted. References to the third quarters of 2026 and 2025 represent the three-month periods ended June 30, 2026 and 2025, respectively.

OVERVIEW

In the third quarter of 2026, sales, net earnings and diluted earnings per share from continuing operations were \$339.0 million, \$32.7 million and \$1.26 per share, respectively, compared to \$296.3 million, \$24.8 million and \$0.96 per share, respectively, in the third quarter of 2025. In the first nine months of 2026, sales, net earnings and diluted earnings per share were \$938.0 million, \$95.0 million and \$3.66 per share, respectively, compared to \$742.7 million, \$71.4 million and \$2.76 per share, respectively, in the first nine months of 2025.

NET SALES

In the third quarter of 2026, net sales of \$339.0 million were \$42.7 million, or 14.4%, higher than the \$296.3 million in the third quarter of 2025. In the first nine months of 2026, net sales of \$938.0 million were \$195.3 million, or 26.3%, higher than the \$742.7 million in the first nine months of 2025. The increase in net sales in the third quarter of 2026 as compared to the third quarter of 2025 was due to a \$31.9 million increase in the A&D segment, a \$7.6 million increase in the USG segment and a \$3.2 million increase in the Test segment. The increase in net sales in the first nine months of 2026 as compared to the first nine months of 2025 was due to a \$154.5 million increase in the A&D segment, a \$29.6 million increase in the Test segment and a \$11.2 million increase in the USG segment.

-A&D

In the third quarter of 2026, net sales of \$168.2 million were \$31.9 million, or 23.4%, higher than the \$136.3 million in the third quarter of 2025. In the first nine months of 2026, net sales of \$462.3 million were \$154.5 million, or 50.2%, higher than the \$307.8 million in the first nine months of 2025. The sales increase in the third quarter of 2026 compared to the third quarter of 2025 was mainly due to a \$22.3 million increase in navy revenues and a \$7.9 million increase in aerospace revenues (defense and commercial). Maritime contributed \$22.7 million of revenue growth in the third quarter of 2026. The sales increase in the first nine months of 2026 compared to the first nine months of 2025 was mainly due to a \$110.9 million increase in navy revenues and a \$37.7 million increase in aerospace revenues (defense and commercial). Maritime contributed \$121.1 million of revenue growth in the first nine months of 2026.

-USG

In the third quarter of 2026, net sales of \$100.0 million were \$7.6 million, or 8.2%, higher than the \$92.4 million in the third quarter of 2025. In the first nine months of 2026, net sales of \$281.0 million were \$11.2 million, or 4.2%, higher than the \$269.8 million in the first nine months of 2025. The increase in the third quarter of 2026 compared to the third quarter of 2025 was due to an \$12.9 million increase in net sales at Doble driven by higher sales of protection testing, offline test equipment and services, partially offset by a \$5.3 million decrease in net sales at NRG driven by lower shipments of solar and wind products due to weakness in the renewables market. The increase in the first nine months of 2026 compared to the corresponding period of 2025 was due to a \$25.5 million increase in net sales at Doble driven by higher sales of condition monitoring, offline, protection testing products and services, partially offset by a \$14.3 million decrease in net sales at NRG for the reasons mentioned above.

-Test

In the third quarter of 2026, net sales of \$70.9 million were \$3.2 million, or 4.7%, higher than the \$67.7 million in the third quarter of 2025. In the first nine months of 2026, net sales of \$194.7 million were \$29.6 million, or 17.9%, higher than the \$165.1 million in the first nine months of 2025. The increase in the third quarter of 2026 as compared to the third quarter of 2025 was due to a \$7.1 million increase in sales from the segment's U.S. and European operations due to higher Test and Measurement, medical and industrial shielding, and filters volumes, partially offset by a \$3.9 million decrease from the segment's Asian operations. The increase in the first nine months of 2026 compared to the first nine months of 2025 was due to a \$27.2 million increase in sales from the segment's U.S. operations, a \$4.3 million increase from the segment's European operations for the reasons mentioned above, partially offset by a \$1.9 million decrease in sales from the segment's Asian operations.

ORDERS AND BACKLOG

Backlog was \$1,540.5 million at June 30, 2026 compared with \$1,133.6 million at September 30, 2025. The Company received new orders totaling \$409.5 million in the third quarter of 2026 compared to \$749.1 million in the third quarter of 2025. Of the new orders received in the third quarter of 2026, \$195.6 million related to A&D products, \$126.9 million related to USG products, and \$87.0 million related to Test products. Of the new orders received in the third quarter of 2025, \$582.4 million related to A&D products (including \$364.2 million of Maritime acquired backlog), \$105.5 million related to USG products, and \$61.2 million related to Test products.

The Company received new orders totaling \$1,344.9 million in the first nine months of 2026 compared to \$1,243.9 million in the first nine months of 2025. Of the new orders received in the first nine months of 2026, \$761.8 million related to A&D products, \$326.9 million related to USG products, and \$256.2 million related to Test products. Of the new orders received in the first nine months of 2025, \$753.7 million related to A&D products (including \$364.2 million of Maritime acquired backlog), \$287.3 million related to USG products, and \$202.9 million related to Test products.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative (SG&A) expenses for the third quarter of 2026 were \$71.0 million (20.9% of net sales), compared with \$62.0 million (20.9% of net sales) for the third quarter of 2025. For the first nine months of 2026, SG&A expenses were \$195.0 million (20.8% of net sales) compared to \$171.3 million (23.1% of net sales) for the first nine months of 2025. The increase in SG&A in the third quarter and first nine months of 2026 compared to the corresponding periods of 2025 was mainly due to an increase within the A&D segment due to the Maritime acquisition; increased expenses at all three business segments primarily related to higher sales and inflationary impacts and an increase at Corporate mainly due to acquisition costs related to the pending Megger acquisition.

AMORTIZATION OF INTANGIBLE ASSETS

Amortization of intangible assets was \$20.3 million and \$61.1 million for the third quarter and first nine months of 2026, respectively, compared to \$16.8 million and \$32.7 million for the corresponding periods of 2025. Amortization expenses consist of amortization of acquired intangible assets from acquisitions and other identifiable intangible assets (primarily software). The increase in amortization expense in the third quarter and first nine months of 2026 compared to the corresponding periods of 2025 was mainly due to an increase in amortization of intangible assets related to the Maritime acquisition.

OTHER EXPENSES (INCOME), NET

Other expenses, net, was \$0.5 million in the third quarter of 2026 compared with \$2.2 million in the third quarter of 2025. Other expenses, net, was \$2.3 million in the first nine months of 2026 compared with \$1.9 million in the first nine months of 2025. The principal components of other expenses, net, in the third quarter of 2026 included \$0.7 million of restructuring charges within the Test segment due to the exit of the acoustics product line (primarily asset write-offs), and \$0.3 million of restructuring charges (primarily severance) within the USG segment. The principal components of other expenses, net, in the first nine months of 2026 included \$2.0 million of restructuring charges within the Test segment due to the exit of the acoustics product line and \$0.9 million of restructuring charges (primarily severance) within the USG segment. The principal component of other expenses, net, in the third quarter and first nine months of 2025 was \$1.3 million of UK stamp duties on the Maritime acquisition.

EBIT

The Company evaluates the performance of its operating segments based on EBIT, and provides EBIT on a consolidated basis. EBIT is a non-GAAP financial measure. Please refer to the discussion of non-GAAP financial measures in Note 6 to the condensed Consolidated Financial Statements, above. EBIT was \$49.7 million (14.6% of net sales) for the third quarter of 2026 compared to \$41.0 million (13.8% of net sales) for the third quarter of 2025. For the first nine months of 2026, EBIT was \$134.3 million (14.3% of net sales) compared to \$105.7 million (14.2% of net sales) for the first nine months of 2025.

The following table presents a reconciliation of EBIT from continuing operations to net earnings from continuing operations.

(In thousands)	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
Net earnings from continuing operations	\$ 32,735	24,755	94,982	71,445
Plus: Interest expense, net	8,713	7,921	13,992	12,373
Plus: Income tax expense	8,219	8,314	25,314	21,841
Consolidated EBIT from continuing operations	<u>\$ 49,667</u>	<u>40,990</u>	<u>134,288</u>	<u>105,659</u>

-A&D

EBIT in the third quarter of 2026 was \$50.4 million (30.0% of net sales) compared to \$36.6 million (26.8% of net sales) in the third quarter of 2025. EBIT in the first nine months of 2026 was \$131.4 million (28.4% of net sales) compared to \$78.2 million (25.4% of net sales) in the first nine months of 2025. The increase in EBIT in the third quarter and first nine months of 2026 compared to the corresponding periods of 2025 was mainly driven by leverage on higher sales volumes as mentioned above, and price increases, partially offset by inflationary pressures and unfavorable mix. EBIT in the third quarter and first nine months of 2025 was negatively impacted by \$2.7 million of inventory step-up charges and stamp duty charges related to the Maritime acquisition.

-USG

EBIT in the third quarter of 2026 was \$22.0 million (22.0% of net sales) compared to \$21.5 million (23.3% of net sales) in the third quarter of 2025. EBIT in the first nine months of 2026 was \$64.0 million (22.8% of net sales) compared to \$62.8 million (23.2% of net sales) in the first nine months of 2025. The increase in EBIT in the third quarter and first nine months of 2026 compared to the corresponding periods of 2025 was mainly driven by leverage on higher sales volumes at Doble and price increases and mix, partially offset by lower sales volumes at NRG, and inflationary pressures. EBIT was negatively impacted by \$0.9 million and \$0.3 million in the first nine months of 2026 and 2025, respectively, by restructuring charges (primarily severance) and acquisition costs.

-Test

EBIT in the third quarter of 2026 was \$10.9 million (15.4% of net sales) compared to \$10.7 million (15.9% of net sales) in the third quarter of 2025. EBIT in the first nine months of 2026 was \$27.7 million (14.2% of net sales) compared to \$21.5 million (13.0% of net sales) in the first nine months of 2025. The increase in EBIT in the third quarter and first nine months of 2026 compared to the corresponding periods of 2025 was mainly due to higher sales volumes and price increases partially offset by inflationary pressures. EBIT was negatively impacted by \$2.1 million and \$0.4 million in the first nine months of 2026 and 2025, respectively, by restructuring charges (primarily asset write-offs, contract termination charges and severance).

-Corporate

Corporate costs included in EBIT were \$33.6 million and \$88.8 million in the third quarter and first nine months of 2026, respectively, compared to \$27.9 million and \$56.9 million in the corresponding periods of 2025. The increase in Corporate costs in the third quarter and first nine months of 2026 compared to the corresponding periods of 2025 was mainly due to an increase in acquisition related amortization due to the Maritime acquisition, and an increase in share-based compensation costs and acquisition related costs related to the pending Megger acquisition.

INTEREST EXPENSE, NET

Interest expense was \$8.7 million and \$14.0 million in the third quarter and first nine months of 2026, respectively, and \$7.9 million and \$12.4 million in the corresponding periods of 2025. The increase in interest expense in the third quarter and first nine months of 2026 compared to the corresponding periods of 2025 was mainly due to approximately \$7 million of debt financing costs incurred in the third quarter of 2026 related to the pending Megger acquisition, partially offset by lower average outstanding borrowings due to the prior year Maritime acquisition and lower average interest rates.

INCOME TAX EXPENSE

The third quarter 2026 effective income tax rate from continuing operations was 20.1% compared to 25.1% in the third quarter of 2025. The effective income tax rate from continuing operations in the first nine months of 2026 was 21.0% compared to 23.4% for the first nine months of 2025. Income tax expense in the third quarter and first nine months of 2026 was favorably impacted by return-to-provision adjustments recognized upon finalization of the 2025 federal income tax return, including an increase to the federal research

credit. Income tax expense in the third quarter and first nine months of 2025 was unfavorably impacted by income tax consequences associated with the acquisition of Maritime, including non-deductible transaction costs.

CAPITAL RESOURCES AND LIQUIDITY

The Company's overall financial position and liquidity remain strong. Working capital (current assets less current liabilities) increased to \$208.8 million at June 30, 2026 from \$180.4 million at September 30, 2025. Inventories increased \$22.7 million during this period due to a \$14.9 million increase within the A&D segment, and a \$9.2 million increase within the USG segment; both increases due to higher work-in-process and raw materials inventories due to timing of manufacturing existing orders, partially offset by a \$1.4 million decrease within the Test segment. Contract assets increased \$36.9 million primarily within the A&D segment (Maritime) due to timing. Contract liabilities increased \$71.5 million primarily within the A&D segment (Globe and Maritime) due to timing of payments received from customers.

Net cash provided by operating activities from continuing operations was \$193.4 million and \$88.3 million in the first nine months of 2026 and 2025, respectively. The increase in net cash provided by operating activities in the first nine months of 2026 as compared to the first nine months of 2025 was mainly driven by lower working capital requirements and higher earnings.

Capital expenditures for continuing operations were \$24.6 million and \$24.2 million in the first nine months of 2026 and 2025, respectively. In addition, the Company incurred expenditures for capitalized software and other intangible assets from continuing operations of \$7.9 million and \$13.0 million in the first nine months of 2026 and 2025, respectively.

Credit Facility

At June 30, 2026, the Company had approximately \$442 million available to borrow under its bank credit facility, a \$250 million increase option, and \$73.2 million cash on hand. At June 30, 2026, the Company had \$85 million of outstanding borrowings under the Credit Facility and Incremental Facility in addition to outstanding letters of credit of \$12.7 million. Cash flow from operations and borrowings under the Company's credit facility are expected to meet the Company's capital requirements and operational needs for the foreseeable future. The Company's ability to access the additional \$250 million increase option of the credit facility is subject to acceptance by participating or other outside banks.

Acquisitions

During the first nine months of fiscal 2026, the Company paid \$10.2 million consisting of a \$5.1 million working capital settlement and a \$5.1 million group tax relief payment, both related to the Maritime acquisition.

On April 15, 2026, the Company signed a definitive agreement to acquire the Megger business of TBG AG. Megger is a global provider of testing, monitoring, and data-driven solutions for utilities and critical electric infrastructure, including industrial, transportation, data center and renewable end markets. Under the terms of the agreement, ESCO will acquire Megger for total consideration of approximately \$2.35 billion, consisting of \$0.9 billion in cash and ESCO equity valued at approximately \$1.4 billion. The cash portion will be funded through existing cash on hand and incremental debt, with committed financing in place. The Company expects to complete the acquisition in the first quarter of fiscal 2027. Megger will become part of the Company's USG segment. See further discussion of the transaction and financing arrangements in the Company's Form 8-K's filed April 15, 2026 and April 16, 2026.

Divestiture

During the second quarter of 2026, the Company received a \$1.5 million, net, working capital settlement related to the sale of VACCO. In addition, during the second quarter of 2026, the Company paid approximately \$59 million in cash taxes related to the gain on sale of VACCO.

Dividends

A dividend of \$0.08 per share, totaling \$2.1 million, was paid on October 16, 2025 to stockholders of record as of October 2, 2025. A dividend of \$0.08 per share, totaling \$2.1 million, was paid on January 16, 2026 to stockholders of record as of January 2, 2026. A dividend of \$0.08 per share, totaling \$2.1 million, was paid on April 17, 2026 to stockholders of record as of April 2, 2026. Subsequent to June 30, 2026, a quarterly dividend of \$0.08 per share, totaling \$2.1 million, was paid on July 17, 2026 to stockholders of record as of July 2, 2026.

Management has evaluated the accounting policies used in the preparation of the Company's financial statements and related notes and believes those policies to be reasonable and appropriate. Certain of these accounting policies require the application of significant judgment by Management in selecting appropriate assumptions for calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on historical experience, trends in the industry, information provided by customers and information available from other outside sources, as appropriate. The most significant areas involving Management judgments and estimates may be found in the Critical Accounting Policies section of Management's Discussion and Analysis and in Note 1 to the condensed Consolidated Financial Statements contained in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2025.

OTHER MATTERS

Contingencies

As a normal incident of the business in which the Company is engaged, various claims, charges and litigation are asserted or commenced against the Company. Additionally, the Company is currently involved in various stages of investigation and remediation relating to environmental matters. In the opinion of Management, the aggregate costs involved in the resolution of these matters, and final judgments, if any, which might be rendered against the Company, are adequately reserved, are covered by insurance, or would not have a material adverse effect on the Company's results from operations, capital expenditures, or competitive position.

FORWARD LOOKING STATEMENTS

Statements contained in this Form 10-Q regarding future events and the Company's future results that reflect or are based on current expectations, estimates, forecasts, projections or assumptions about the Company's performance and the industries in which the Company operates are considered "forward-looking statements" within the meaning of the safe harbor provisions of the Federal securities laws. These may include, but are not necessarily limited to, statements about: the strength of certain end markets served by the Company, and the timing of the recovery of certain end markets which the Company serves; the adequacy of the Company's credit facility and the Company's ability to increase it; the outcome of current litigation, claims and charges; the determination of the current portion of the Company's long-term debt and the timing of its repayment; future revenues from remaining performance obligations; fair values of reporting units; the deductibility of goodwill; estimates and assumptions that affect the reported values of assets and liabilities; the future recognition of compensation cost related to share-based compensation arrangements; the Company's ability to hedge against or otherwise manage market risks through the use of derivative financial instruments; the extent to which hedging gains or losses will be offset by losses or gains on related underlying exposures; and any other statements contained herein which are not strictly historical. Words such as expects, anticipates, targets, goals, projects, intends, plans, believes, estimates, variations of such words, and similar expressions are intended to identify such forward-looking statements.

Investors are cautioned that such statements are only predictions and speak only as of the date of this Form 10-Q, 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 selected 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 recently acquired businesses.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risks relating to the Company's operations result primarily from changes in interest rates and changes in foreign currency exchange rates. The Company is exposed to market risk related to changes in interest rates and selectively uses derivative financial instruments, including forward contracts and swaps, to manage these risks. The Company's Canadian subsidiary Morgan Schaffer enters into foreign exchange contracts to manage foreign currency risk as a portion of their revenue is denominated in U.S. dollars. All derivative instruments are reported on the balance sheet at fair value. For derivative instruments designated as cash flow hedges, the gain or loss on the respective derivative is deferred in accumulated other comprehensive income until recognized in earnings with the underlying hedged item. There has been no material change to the Company's market risks since September 30, 2025.

ITEM 4. CONTROLS AND PROCEDURES

The Company carried out an evaluation, under the supervision and with the participation of Management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of that date. Disclosure controls and procedures are controls and procedures that are designed to ensure that information required to be disclosed in Company reports filed or submitted under the Securities Exchange Act of 1934 (the Exchange Act) is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. There has been no change in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the period covered by this report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The Company did not repurchase any shares during the third quarter of 2026.

ITEM 5. OTHER INFORMATION

During the third quarter of fiscal 2026, no director or officer (as defined in Securities and Exchange Commission Rule 16-a-1(f)) of the Company adopted or terminated:

- (i) Any contract, instruction or written plan for the purchase or sale of Company securities intended to satisfy the affirmative defense conditions of SEC Rule 10b5-1(c) (a “Rule 10b5-1 trading arrangement”); or
- (ii) Any “non-Rule 10-b5-1 trading arrangement” as defined in Item 408(c) of SEC Regulation S-K.

ITEM 6. EXHIBITS

<u>Exhibit Number</u>	<u>Description</u>	<u>Document Location</u>
3.1(a)	<u>Restated Articles of Incorporation</u>	Exhibit 3(a) to the Company's Form 10-K for the fiscal year ended September 30, 1999
3.1(b)	<u>Amended Certificate of Designation, Preferences and Rights of Series A Participating Cumulative Preferred Stock of the Registrant</u>	Exhibit 4(e) to the Company's Form 10-Q for the fiscal quarter ended March 31, 2000
3.1(c)	<u>Articles of Merger effective July 10, 2000</u>	Exhibit 3(c) to the Company's Form 10-Q for the fiscal quarter ended June 30, 2000
3.1(d)	<u>Amendment of Articles of Incorporation effective February 5, 2018</u>	Exhibit 3.1 to the Company's Form 8-K filed February 7, 2018
3.2	<u>Bylaws</u>	Exhibit 3.1 to the Company's Form 8-K filed November 22, 2022
4.1(a)	<u>Amended and Restated Credit Agreement dated August 30, 2023</u>	Exhibit 10.1 to the Company's Form 8-K filed September 6, 2023
4.1(b)	<u>Amendment No. 1 dated as of August 5, 2024 to the Amended and Restated Credit Agreement dated August 30, 2023</u>	Exhibit 10.1(c) to the Company's Form 10-K for the fiscal year ended September 30, 2024
4.2(c)	<u>Agreement dated April 15, 2026 between TBG AG as Seller and ESCO Technologies Inc. as Buyer, incorporated by reference to Exhibit 10.1 hereto</u>	Exhibit 10.1 hereto
4.2(d)	<u>Shareholder Agreement between ESCO Technologies Inc. and TBG AG, incorporated by reference to Exhibit 10.2 hereto</u>	Exhibit 10.2 hereto
4.2(e)	<u>Credit Agreement dated as of May 29, 2026, incorporated by reference to Exhibit 10.3 hereto</u>	Exhibit 10.3 hereto
10.1	<u>Agreement dated April 15, 2026 between TBG AG as Seller and ESCO Technologies Inc. as Buyer for the sale and purchase of the share capital of Megger Group Limited</u>	Exhibit 10.1 to the Company's Form 8-K filed April 16, 2026
10.2	<u>Form of Shareholder Agreement to be executed concurrently with completion of the Agreement described in Exhibit 10.1</u>	Exhibit 10.2 to the Company's Form 8-K filed April 16, 2026
10.3	<u>Credit Agreement dated as of May 29, 2026, among ESCO Technologies Inc. and certain of its subsidiaries as Borrower, certain Lenders party thereto, JPMorgan Chase Bank, N.A. as Administrative Agent, Bank of America, N.A. as Syndication Agent, and BMO Capital Markets Corp., Commerce Bank, Regions Capital Markets, a Division of Regions Bank, TD Bank, N.A. and Wells Fargo Bank, National Association, as Co-Documentation Agents, to become effective concurrently with completion of the Agreement described in Exhibit 10.1</u>	Exhibit 10.1 to the Company's Form 8-K filed June 3, 2026
31.1	<u>Certification of Chief Executive Officer</u>	Filed herewith
31.2	<u>Certification of Chief Financial Officer</u>	Filed herewith
32	<u>Certification of Chief Executive Officer and Chief Financial Officer</u>	Filed herewith

101.INS	XBRL Instance Document*	Submitted herewith
101.SCH	XBRL Schema Document*	Submitted herewith
101.CAL	XBRL Calculation Linkbase Document*	Submitted herewith
101.DEF	XBRL Definition Linkbase Document*	Submitted herewith
101.LAB	XBRL Label Linkbase Document*	Submitted herewith
101.PRE	XBRL Presentation Linkbase Document*	Submitted herewith
104	Cover Page Interactive Data File (contained in Exhibit 101)	Submitted herewith

* Exhibit 101 to this report consists of documents formatted in XBRL (Extensible Business Reporting Language). The financial information contained in the XBRL – related documents is “unaudited” or “unreviewed”.

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 thereunto duly authorized.

ESCO TECHNOLOGIES INC.

/s/ Christopher L. Tucker

Christopher L. Tucker

Senior Vice President and Chief Financial Officer

(As duly authorized officer and principal accounting and financial officer of the registrant)

Dated: August 10, 2026

CERTIFICATION

I, Bryan H. Sayler, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ESCO Technologies Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 10, 2026

/s/ Bryan H. Sayler
Bryan H. Sayler
President and Chief Executive Officer

CERTIFICATION

I, Christopher L. Tucker, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ESCO Technologies Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 10, 2026

/s/ Christopher L. Tucker

Christopher L. Tucker

Senior Vice President and Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of ESCO Technologies Inc. (the “Company”) on Form 10-Q for the period ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), we, Bryan H. Sayler, President and Chief Executive Officer of the Company, and Christopher L. Tucker, Senior Vice President and Chief Financial Officer of the Company, certify, to the best of our knowledge, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 10, 2026

/s/ Bryan H. Sayler

Bryan H. Sayler
President and Chief Executive Officer
ESCO Technologies Inc.

/s/ Christopher L. Tucker

Christopher L. Tucker
Senior Vice President and Chief Financial Officer
ESCO Technologies Inc.
