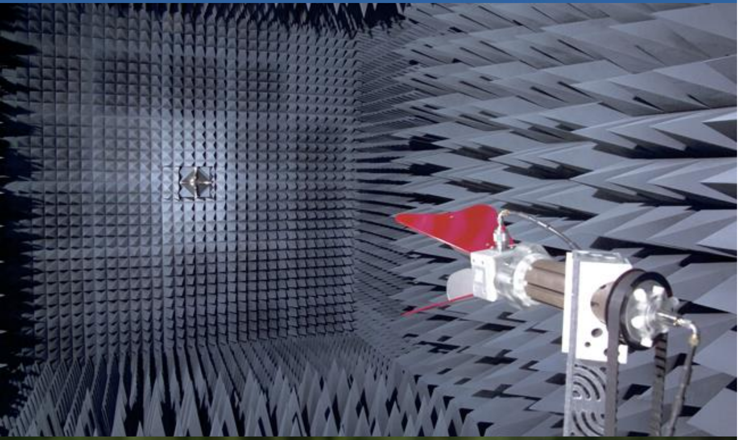


ESCO TECHNOLOGIES

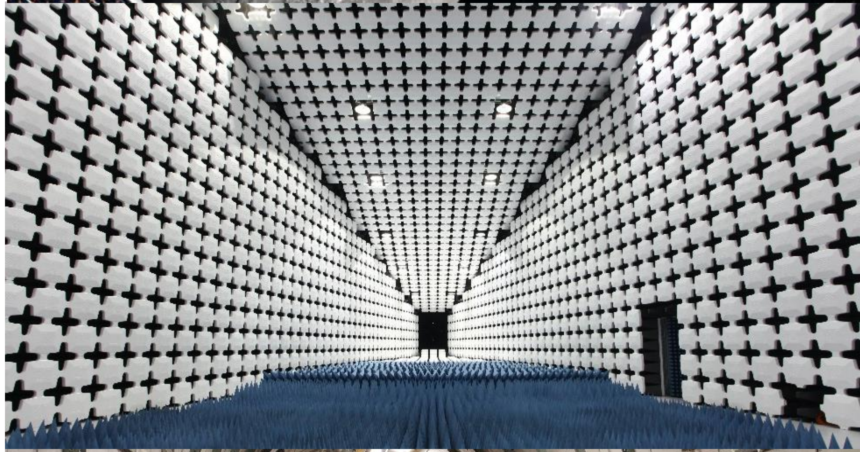
ESCO Technologies

Second Quarter FY 2023 Earnings Call

Bryan Sayler
President & CEO

Chris Tucker
Sr. Vice President & CFO

May 9, 2023



Forward Looking Statement

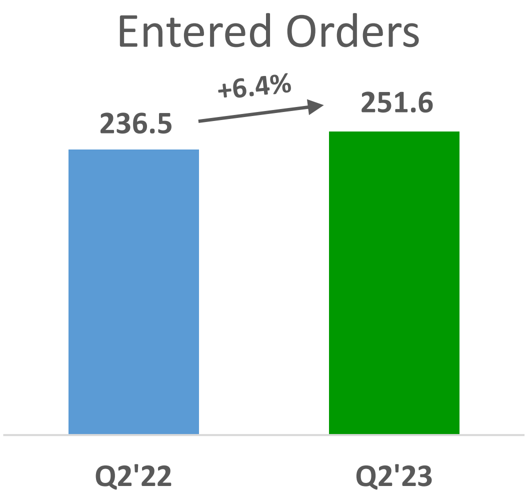
Statements in this presentation and made during today's conference call regarding Management's expectations for fiscal 2023, the effects of continuing inflationary pressures, higher interest rates, pressures related to supply chain performance and labor shortages, our guidance for 2023 including revenues, revenue growth, Adjusted EPS, Adjusted EBIT and Adjusted EBITDA margin; the effects of acquisitions, and any other statements which are not strictly historical, are "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. securities laws.

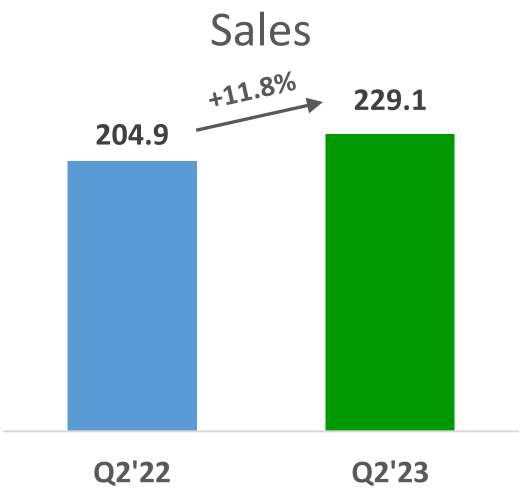
Investors are cautioned that such statements are only predictions and speak only as of the date of this presentation, and the Company undertakes no duty to update them except as may be required by applicable laws or regulations. The Company's actual results in the future may differ materially from those 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, 2022; the availability and acceptance of viable COVID-19 vaccines by enough of the U.S. and world's population to curtail the pandemic; the continuing impact of the COVID-19 pandemic and the effects of known or unknown COVID-19 variants including labor shortages, facility closures, shelter in place policies or quarantines, material shortages, transportation delays, termination or delays of Company contracts, and the inability of our suppliers or customers to perform; the impacts of natural disasters on the Company's operations and those of the Company's customers and suppliers; the timing and content of future contract awards or customer orders; the 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; the success of the Company's acquisition efforts; delivery delays or defaults by customers; performance issues with key customers, suppliers and subcontractors; changes in the costs and availability of certain raw materials; labor disputes; changes in U.S. tax laws and regulations; other changes in laws and regulations including but not limited to changes in accounting standards and foreign taxation; changes in interest 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 of recently acquired businesses.

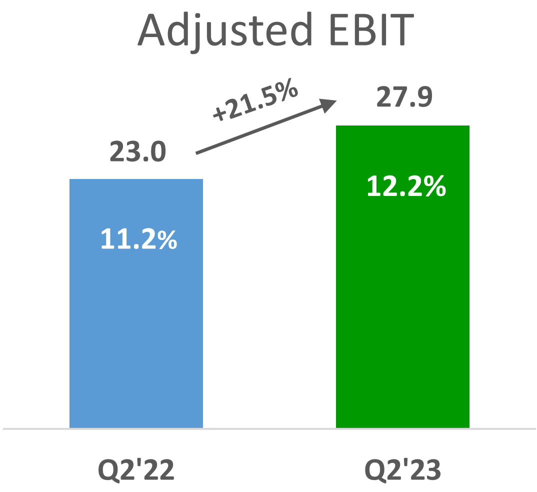
During this call, the Company may discuss some non-GAAP financial measures in describing the Company's operating results. A reconciliation of these measures to their most comparable GAAP measures can be found in the press release issued today and found on the Company's website at www.escotechnologies.com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

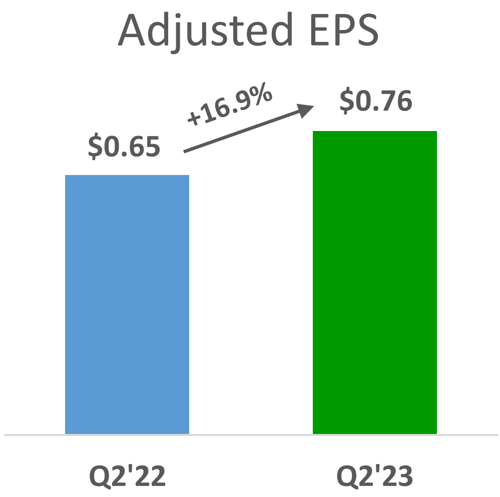
In addition, the financial results presented in this presentation include certain non-GAAP financial measures such as EBIT, Adjusted EBIT, EBITDA, Adjusted EBITDA and Adjusted EPS. These non-GAAP financial measures are reconciled to their respective GAAP equivalents in the "Reconciliation of Non-GAAP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

Q2 Results ($ in Millions, except per share amounts)









Entered Orders

- Orders up 6% on strength in A&D and renewables
- Book-to-Bill of 1.10 & Record ending backlog of $741M

Sales

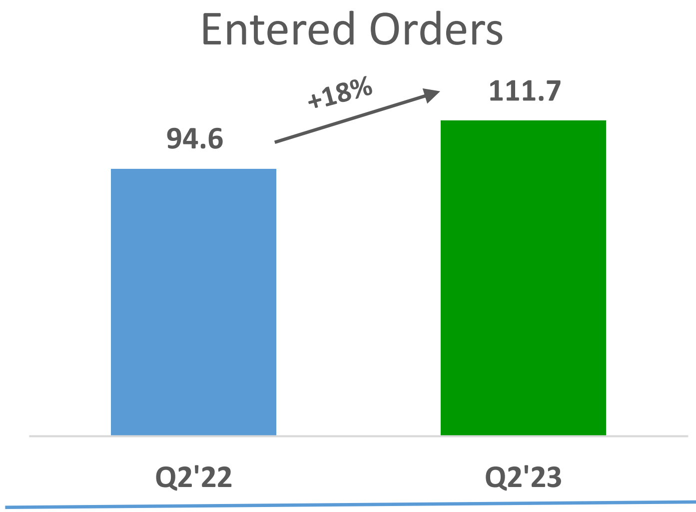
- Sales increased 11.8% – double digit growth in A&D & USG
- COVID related disruptions in China impacted Test
- Continuing to manage supply chain disruptions

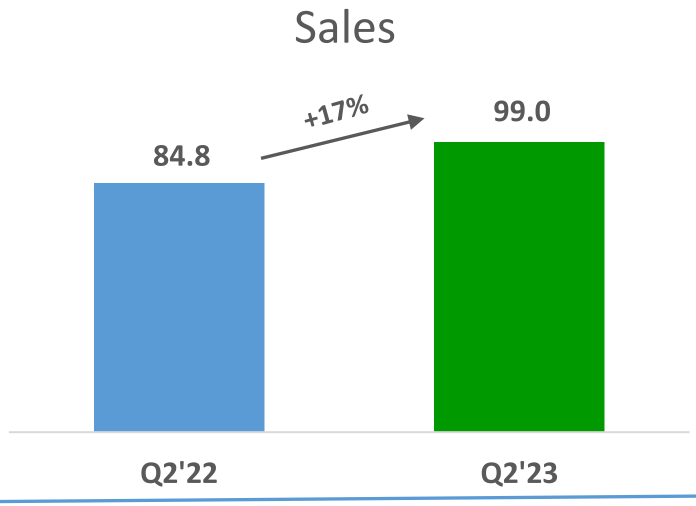
Adjusted EBIT

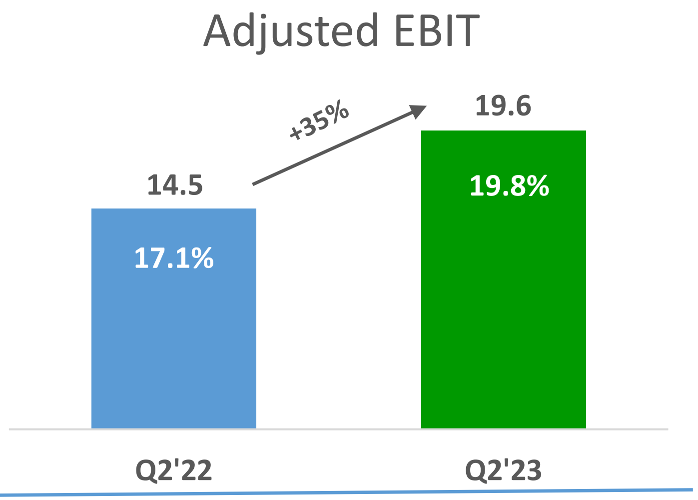
- Higher margins in A&D & USG, partially offset by lower margins in Test related to Q2 Covid impacts in China

	Q2'22	Q2'23	Delta $	Delta %
Entered Orders	$236.5	251.6	15.1	6.4%
Sales	204.9	229.1	24.2	11.8%
Adjusted EBIT	23.0	27.9	4.9	21.5%
Adj EBIT Margin	*11.2%*	*12.2%*	*+1.0 pts*	
Adjusted EBITDA	35.1	40.5	5.4	15.3%
Adj EBITDA Margin	*17.1%*	*17.7%*	*+0.6 pts*	
EPS GAAP	$0.64	$0.69	$0.05	7.8%
EPS Adjusted	$0.65	$0.76	$0.11	16.9%

A&D ($ in Millions)







Entered Orders

- Aerospace – Crissair, Mayday & PTI all higher
  - Mayday +$6M (+42%) - OEM build rates, market share gains & pricing
  - PTI +$5M (+23%) – Large aftermarket order (+$4.1M)
- CMT added $7M of acquired backlog
- Record ending backlog of $435M, +$27M from 9/30/22

Sales

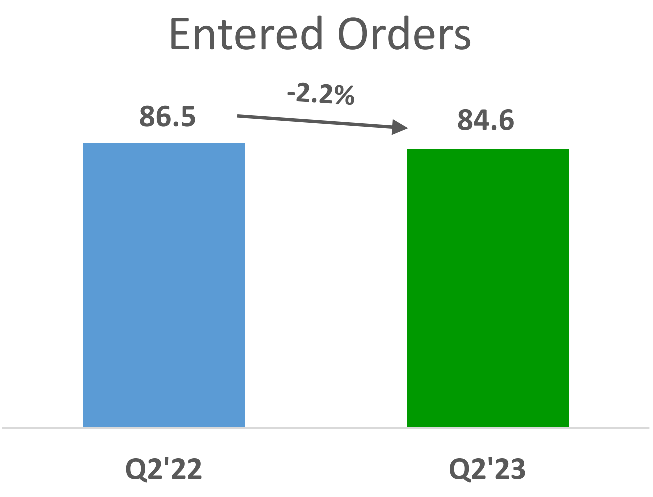
- Underlying growth of 14%, CMT adds 3 pts of growth
- Commercial Aero +$8M (+27%) & Defense Aero +$2M (+13%)
  - Commercial aero recovery & pricing
- Navy +$2M (+9%) & Space ($0.5M) (-3%)

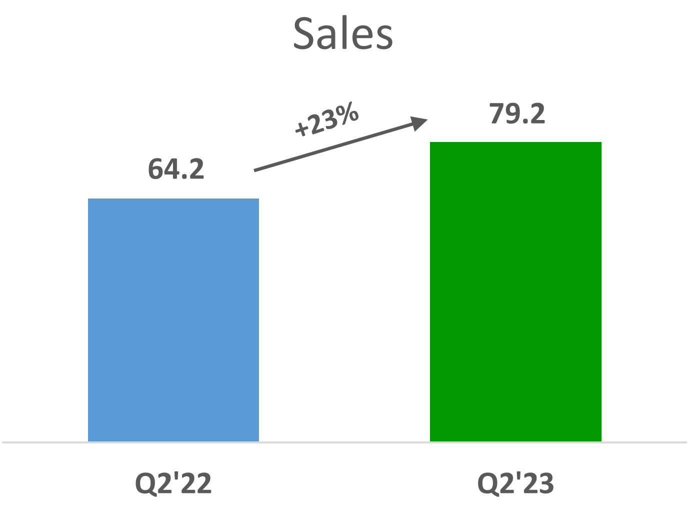
Adjusted EBIT

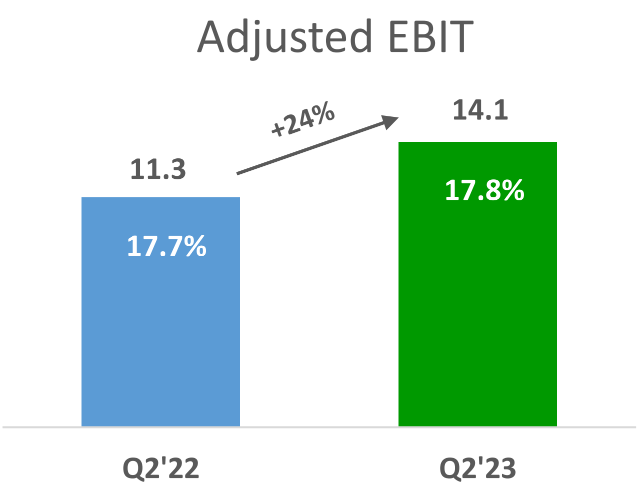
- Higher margin (+2.7 pts) driven by leverage on increased volume
- Price increases mostly offsetting wage and material cost inflation

	Q2’22	Q2’23	Delta $	Delta %
Entered Orders	$94.6	111.7	17.1	18.1%
Sales	84.8	99.0	14.2	16.7%
Adjusted EBIT	14.5	19.6	5.1	35.2%
Adj EBIT Margin	*17.1%*	*19.8%*	*+2.7 pts*	
	Prior YE	**Q2’23**	**Delta $**	**Delta %**
Backlog	$408.3	435.2	26.9	6.6%

USG ($ in Millions)







Entered Orders

- Utility ($8.0M)/ (-11%)
  - Lower due to multi-year $12M DUC contract renewal in Q2’22.
  - Bookings strength continues across product portfolios – highlighted by strong condition monitoring orders
- Renewables +$6.0M (+54%) – Wind & Solar (SRM orders in U.S. & Europe)
- Ending backlog of $143M, +$15M (+11%) from 9/30/22

Sales

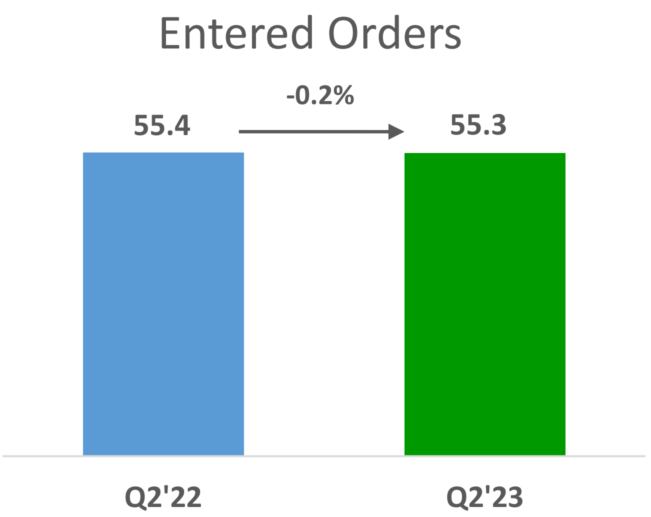
- Utility +10.5M (+19%) – condition monitoring +$3M, Phenix +$4M & Services +$3M
- Renewables +$4.5M (+47%) – strength across all product lines

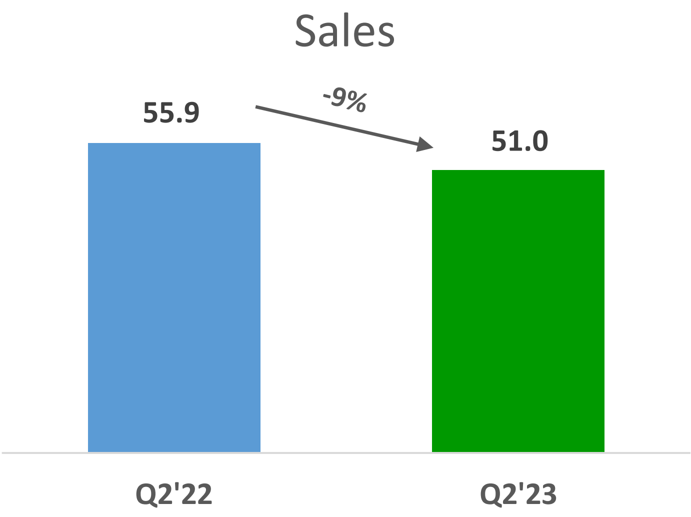
Adjusted EBIT

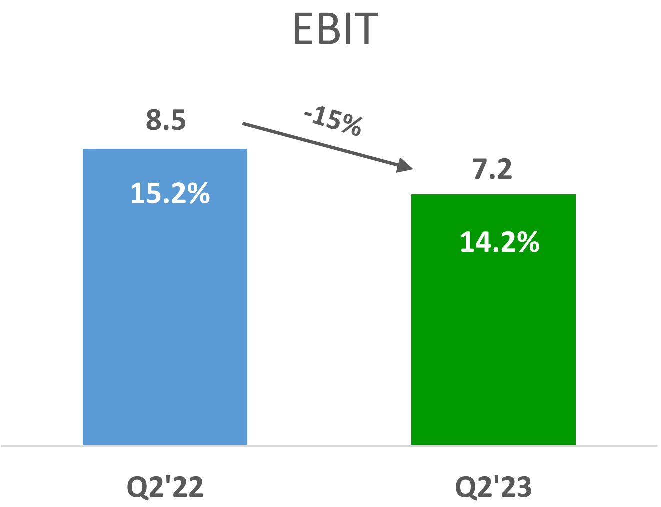
- Driven by leverage on higher revenue and price increases, partially offset by wage and material cost inflation, mix, and in-person events/travel

	Q2’22	Q2’23	Delta $	Delta %
Entered Orders	$86.5	84.6	(1.9)	-2.2%
Sales	64.2	79.2	15.0	23.3%
Adjusted EBIT	11.3	14.1	2.8	24.1%
Adj EBIT Margin	*17.7%*	*17.8%*	*+0.1 pts*	
	Prior YE	**Q2’23**	**Delta $**	**Delta %**
Backlog	$128.2	142.7	14.5	11.3%

Test ($ in Millions)







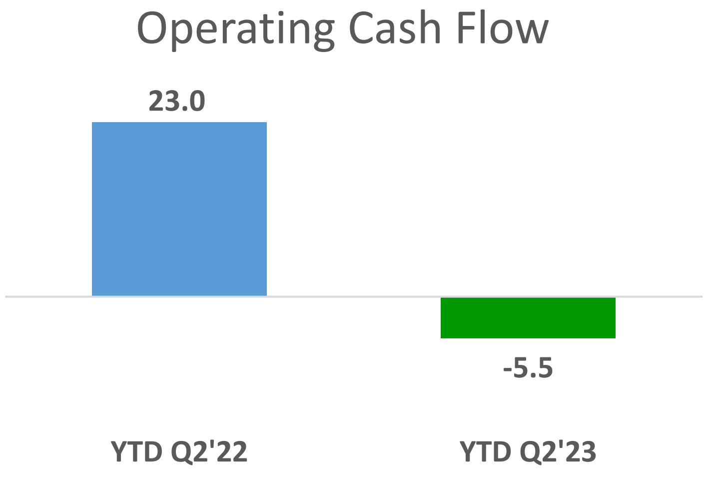
Entered Orders
- Q2'23 orders flat
- Orders still solid in quarter with book-to-bill of 1.09
- Ending backlog of $163M, +$4M from 9/30/22

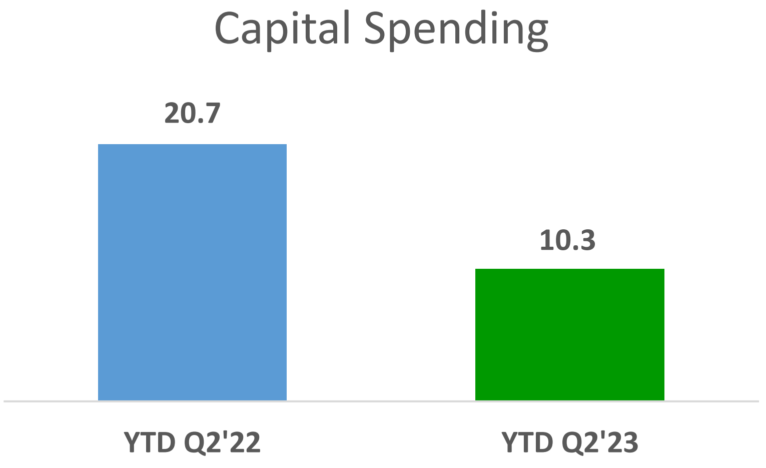
Sales
- Sales lower by $4.9M (-9%) - primarily COVID related disruptions to test and measurement projects in China
- Small sales decline in U.S, good growth in Europe

Adjusted EBIT
- Margin decrease driven by lower volume, with price increases offsetting material cost and wage inflation

	Q2'22	Q2'23	Delta $	Delta %
Entered Orders	$55.4	55.3	(0.1)	-0.2%
Sales	55.9	51.0	(4.9)	-8.8%
EBIT	8.5	7.2	(1.3)	-14.9%
Adj EBIT Margin	*15.2%*	*14.2%*	*-1.0 pts*	
	Prior YE	**Q2'23**	**Delta $**	**Delta %**
Backlog	$158.6	162.9	+4.3	+2.7%

Q2 Cash Flow & Capital Expenditures ($ in Millions)





Operating Cash Flow
- Higher working capital requirements
  - Accounts Receivable higher due to increased sales
  - Inventory higher related to timing and supply chain issues
  - $10M YTD impact due to taxes

Capital Expenditure
- NRG building purchased in Q1'22

Acquisitions
- NEco (A&D) in Q1'22 / CMT (A&D) in Q2'23

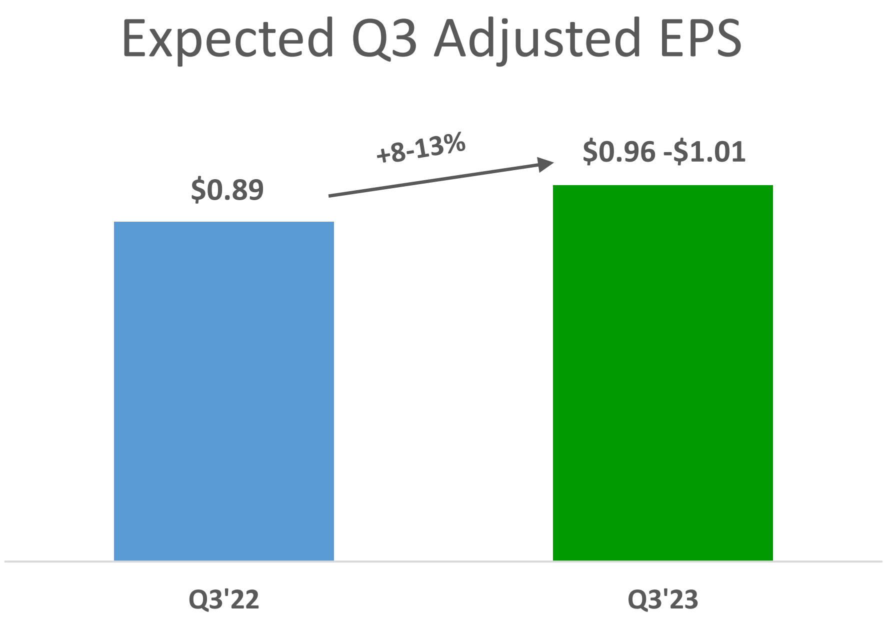
Share Repurchase
- Q2'23 YTD repurchased ~138K shares for $12M
- Q2'22 YTD repurchased ~229K shares for $18M

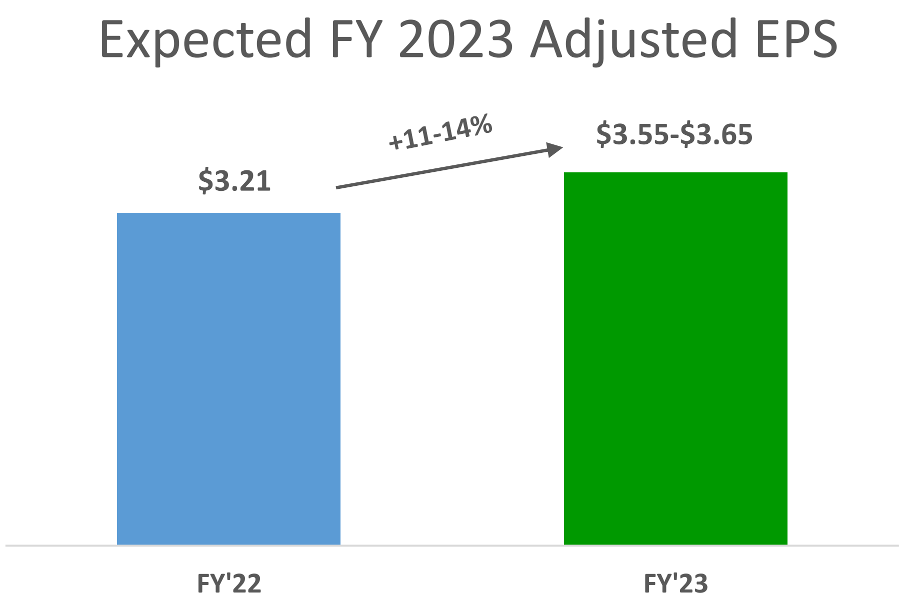
Cash Flow	YTD Q2'22	YTD Q2'23	Delta
Operating Cash Flow	$23.0	(5.5)	(28.5)
Capital Expenditures	(20.7)	(10.3)	10.4
Acquisitions	(15.6)	(17.9)	(2.3)
Share Repurchase	(17.9)	(12.2)	5.7

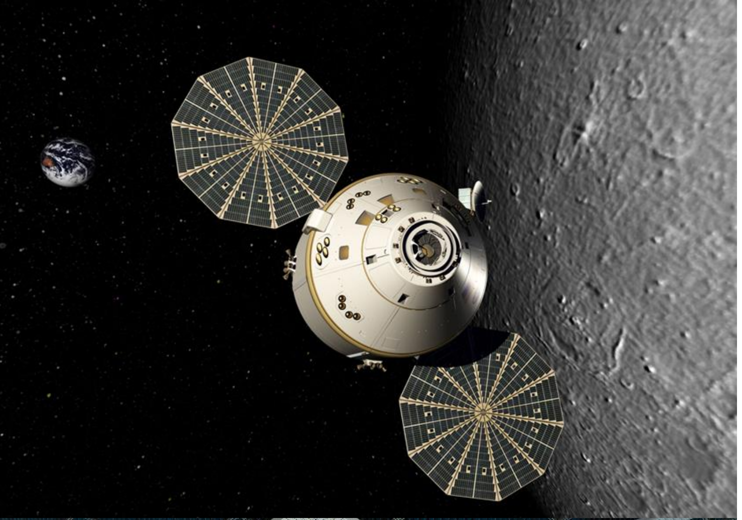
FY’23 Guidance

Adjusted EPS

- Expectation is for Q3 Adjusted EPS in the range of $0.96 to $1.01 per share, representing growth of 8% - 13% over the prior year
- Full Year – Increasing range from $3.50 - $3.60 per share to $3.55 - $3.65 per share, growth of 11% - 14% over the prior year







ESCO Technologies

Second Quarter FY 2023
Earnings Call

Q&A

Reconciliation of Non-GAAP Measures

EBIT	GAAP Q2'22	GAAP Q2'23	Adjustments Q2'22	Adjustments Q2'23	As Adjusted Q2'22	As Adjusted Q2'23
A&D	$14,349	$18,795	140	800	14,489	19,595
USG	11,314	14,061	17	-	11,331	14,061
Test	8,494	7,226	-	-	8,494	7,226
Corporate	(11,469)	(14,463)	125	1,500	(11,344)	(12,963)
Consolidated EBIT	22,688	25,619	282	2,300	22,970	27,919
Less: Interest Expense	(1,020)	(2,269)			(1,020)	(2,269)
Less: Income Tax	(5,085)	(5,472)	(65)	(529)	(5,150)	(6,001)
Net Earnings	16,583	17,878	217	1,771	16,800	19,649
Consolidated EBITDA	34,808	38,162	282	2,300	35,090	40,462
Less: Depreciation & Amortization	(12,120)	(12,543)	-	-	(12,120)	(12,543)
Consolidated EBIT	$22,688	$25,619	282	2,300	22,970	27,919

EPS - As Adjusted	Q2'22	Q2'23	
EPS - GAAP	$ 0.64	$ 0.69	
Purchase Accounting/Acq Related Exp	$ 0.01	$ 0.02	FY'22-Neco / FY'23-CMT
Restructuring - A&D	$ -	$ 0.01	
Executive Management Transition	$ -	$ 0.04	
Adjustments	$ 0.01	$ 0.07	
EPS - As Adjusted	$ 0.65	$ 0.76	