

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): December 2, 2002

ESCO TECHNOLOGIES INC.

(Exact Name of Registrant as Specified in Charter)

Missouri
(State or Other
Jurisdiction of Incorporation)

1-10596
(Commission
File Number)

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

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

63124-2056
(Zip Code)

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

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

(c) Exhibits

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1	Information included on Registrant's website as of December 2, 2002.

ITEM 9. REGULATION FD DISCLOSURE

The Registrant intends to make a company presentation on December 2, 2002 and to include this company presentation on its website. This presentation is attached as Exhibit 99.1 to this Form 8-K. The presentation updates previous company presentations by including the Registrant's full fiscal year 2002 financial results which were disclosed recently in its November 15, 2002 press release.

The furnishing of this Exhibit is not intended to constitute a representation that such furnishing is required by Regulation FD or that the information it contains includes material investor information that is not otherwise publicly available. Statements in Exhibit 99.1 that are not strictly historical are "forward-looking" statements within the meaning of the safe harbor provisions of the federal securities laws. Investors are cautioned that such statements are only predictions, and speak only as of December 2, 2002. The Registrant does not assume any obligation to update such information in the future. The Registrant's actual results in the future may differ materially from those projected in the forward-looking statements due to risks and uncertainties that exist in the Registrant's operations and business environment including, but not limited to: further weakening of economic conditions in served markets; changes in customer demands or customer insolvencies; competition; intellectual property rights; consolidation of internal operations; integration of recently acquired businesses; delivery delays or defaults by customers; performance issues with key suppliers and subcontractors; collective bargaining and labor disputes; changes in laws and regulations; litigation uncertainty; and the Registrant's successful execution of internal operating plans.

SIGNATURE

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

ESCO TECHNOLOGIES INC.

Dated: December 2, 2002

By: /s/ A.S. Barclay

A.S. Barclay
Vice President, Secretary and
General Counsel

EXHIBIT INDEX

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NYSE Symbol: ESE

DECEMBER 2002

Forward-Looking Statement

This presentation contains “forward-looking” statements within the meaning of the safe harbor provisions of the federal securities laws. Investors are cautioned that such statements are only predictions, and speak only as of November 27, 2002. The Company’s actual results in the future may differ materially from those projected in the forward-looking statements due to risks and uncertainties that exist in the Company’s operations and business environment including, but not limited to: further weakening of economic conditions in served markets; changes in customer demands or customer insolvencies; competition; intellectual property rights; consolidation of internal operations; integration of recently acquired businesses; delivery delays or defaults by customers; performance issues with key suppliers and subcontractors; collective bargaining and labor disputes; changes in laws and regulations; litigation uncertainty; and the Company’s successful execution of internal operating plans.



ESCO Heritage

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

NEW ESCO

Today, ESCO is...

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

ESCO Products & Applications

Communications



Filtration

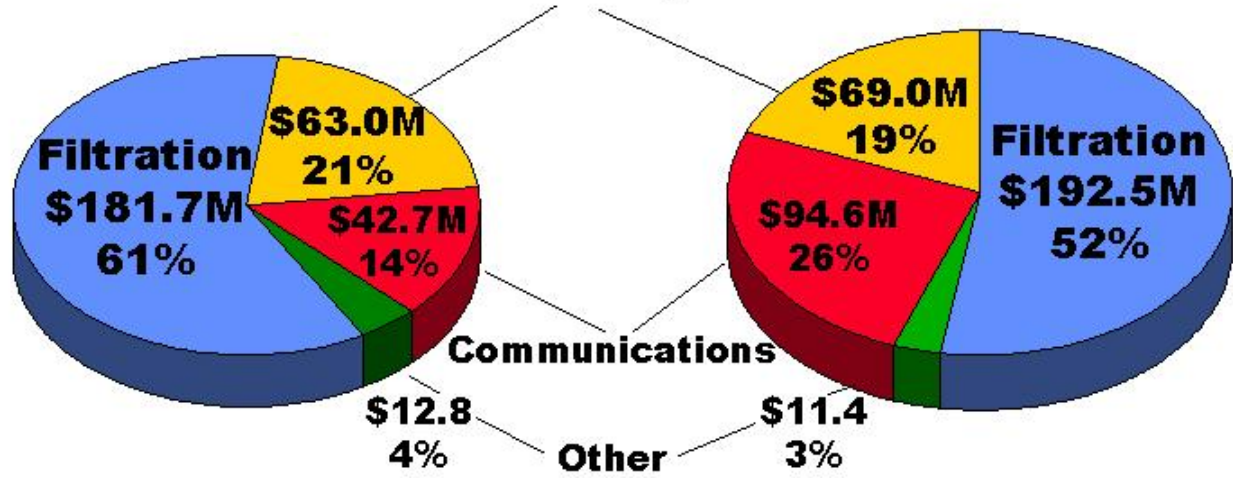


Test



ESCO Business Profile – FY '00 vs '02

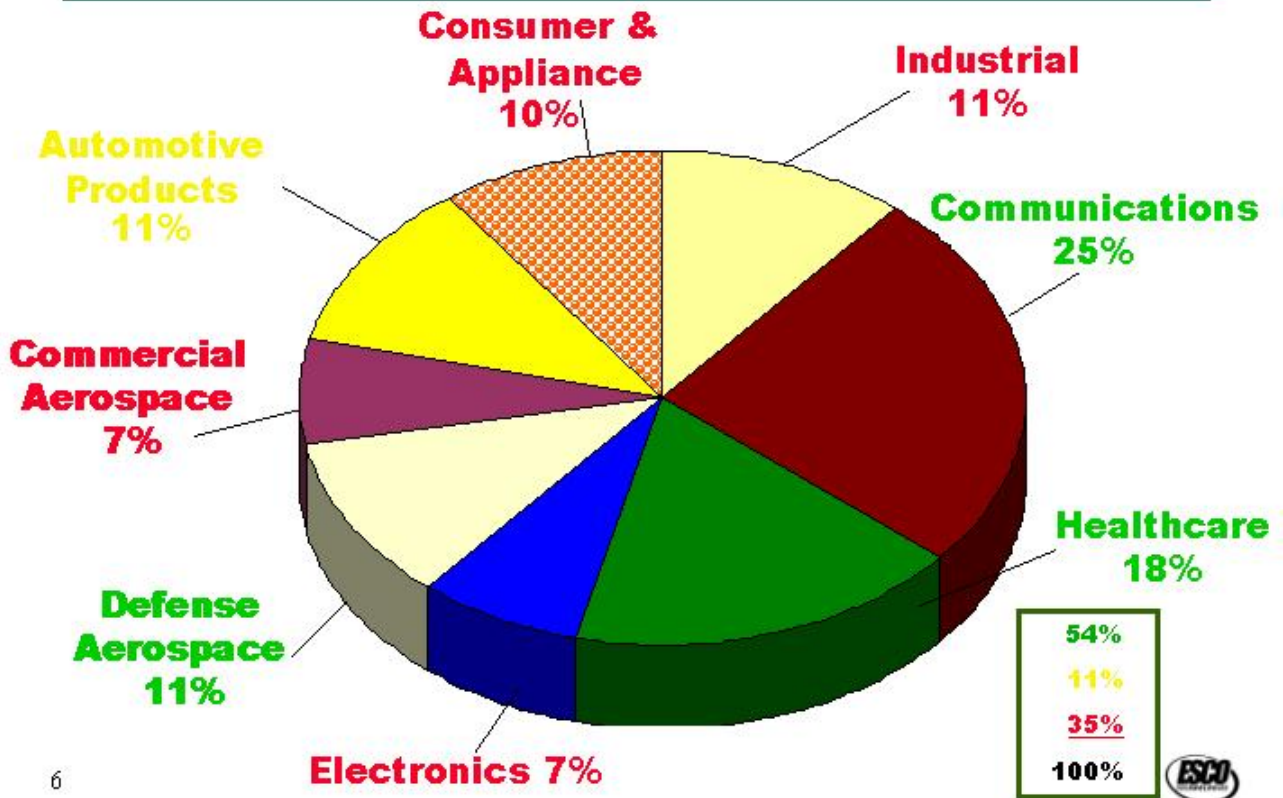
RF Shielding & Test



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

**Fiscal 2002 Sales
= \$367.5M**

ESCO Served Markets – FY 2002



ESCO Strategy

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

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

Financial Goals

■ New ESCO 5 Year View

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

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

Income Statement (In Millions)

	FY 2000 Operations	FY 2001 Operations	FY 2002 Operations	CAGR %
Net Sales	\$ 300.2	\$ 344.9	\$ 367.5	10.7%
Gross Profit	91.9	108.4	119.0	13.8%
% Sales	30.6%	31.4%	32.4%	
EBIT	① 24.7	① 30.9	③ 35.6	20.0%
% Sales	8.2%	9.0%	9.7%	
Net Earnings	17.8	20.0	22.2	11.8%
% Sales	5.9%	5.8%	6.0%	
EPS - Diluted ⑤	\$ ② 1.27	\$ ③ 1.56	\$ 1.71	16.0%
EBITDA	36.3	42.5	48.0	15.0%
% Sales	12.1%	12.3%	13.1%	

① Excludes Goodwill Amort of: FY '01 = \$3.4M & FY '00 = \$2.6M (Pretax)

② Excludes Non-recurring Gain of \$22 Related to Property Divestitures

③ Excludes Elimination of the Net Deferred Tax Valuation Allowance of \$.89 per share

④ Excludes impact of Management Transition Agreement \$.7M in FY02

⑤ EPS Table:	EPS	GAAP Reported	Non-recurring Items	Goodwill Amortization	EPS from Operations
2000	\$	1.33	(0.22)	0.16	\$ 1.27
2001		2.35	(0.99)	0.20	1.56
2002		1.67	0.04	-	1.71



ESCO Segment Performance

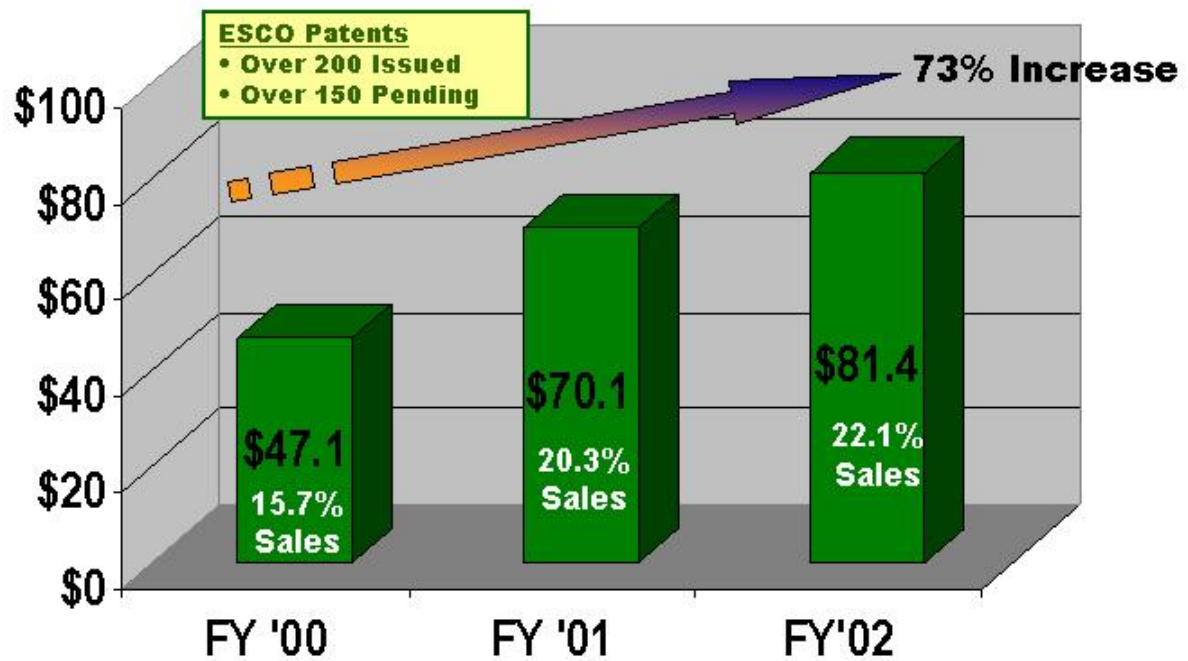
Segment	Net Sales	EBIT	EBIT Margin
	FY 2002	FY 2002	FY 2002
Comm	\$ 94.6	\$ 21.0	22.2%
Filtration	192.5	13.1	6.8%
Test	69.0	3.6	5.2%
Other	11.4	①(2.1)	-18.4%
Totals	\$ 367.5	\$ 35.6	9.7%

① EBIT Excludes Impact of Management Transition Agreement \$.7M

Entered Orders and Backlog (in Millions)

	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
Beginning Backlog	\$142.9	\$145.4	\$180.1
Entered Orders	302.7	379.6	480.6
Sales	300.2	344.9	367.5
Ending Backlog	\$145.4	\$180.1	\$293.2

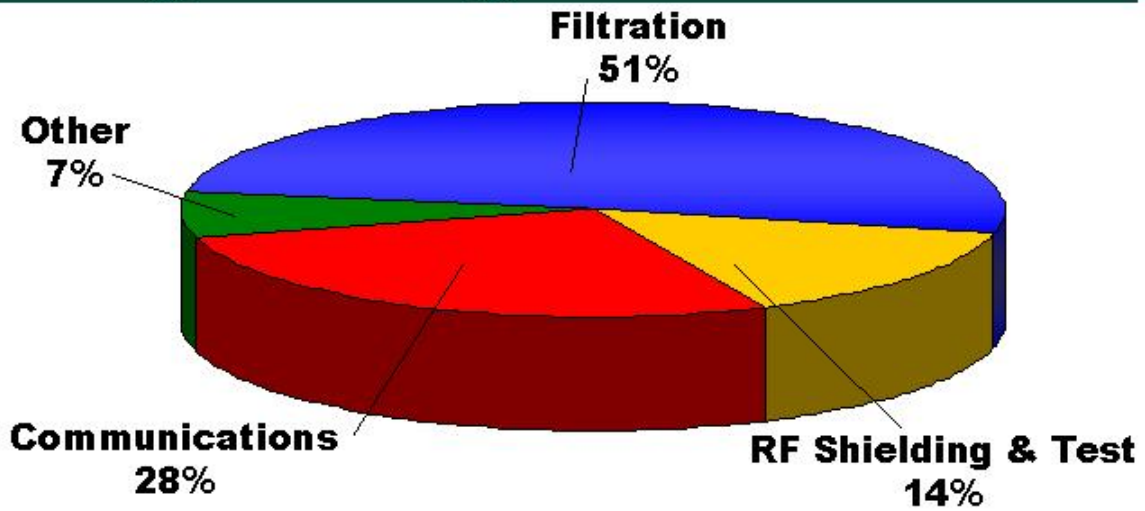
New Product Sales Outlook



Includes Products Introduced During Prior 3 Years



Engineering Investment



FY '02 Engineering Expenditures = \$28.9M (6.9% Sales)

□ Engineering Force Count > 250

ESCO Performance Improvement Actions

Cost and Competitive Position

- '01 and '02 – 4 Facilities Closed/Consolidated and 2 Downsized – 145,000 sq. ft. reduction
- Work Transfer (Europe and Juarez)
- Advanced Automation
- Make/Buy

Routine Attention

ESCO Acquisitions: FY '00 – '02

Completed: 5

3 in Filtration:



One Product Line Drop-in (Space Products)



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



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

2 in Test:



One Line Extension Fully Consolidated (Components)



One Test Competitor with Line Extension (MRI Shielding)

Characteristics:

\$5M to \$50M

Existing Segments

Competitors or Line Extensions

Drop-in or Technology Preferred



Balance Sheet (In Millions)

	<u>9/30/02</u>
Cash & Equivalents	\$ 24.9
Accounts Receivable	69.5
Inventory	55.5
Other Current Assets	31.5
Total Current Assets	\$ 181.4
Property, Plant & Equip, Net	68.5
Other Assets	157.8
Total Assets	\$ 407.7
Current Liabilities	68.8
Other Liabilities	24.3
Long Term Debt	8.3
Total Liabilities	101.4
Shareholders Equity	306.3
Total Liabilities & Equity	\$ 407.7

Includes Tax
Effected NOL of
\$36.8M, retained
from former
defense
subsidiaries.

FREE CASH FLOW (\$35 FROM OPS LESS \$13.2 CAPX) 21.8

Dedicated Management

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

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

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

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

ESCO Strategy

- **ESCO will sustain its Momentum through**
 - **Continued Investment in New Products**
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 - **Selective Acquisitions**

- **Supported by**
 - **A Strong Balance Sheet -- AND --**
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SEGMENT PROFILES

Communications Segment

■ TWACS® System



Communications

■ Market Profile

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

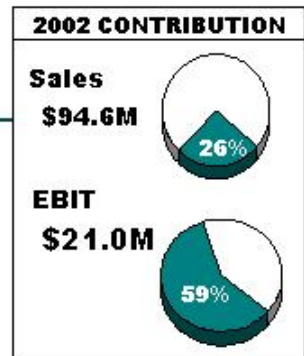
■ Served Markets

- Industrial (97%) - Electronics (3%)

■ Customer Base:



Wisconsin Public Service Corporation



Two-way Automatic Communications System

TWACS®

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

Communications

■ Growth Drivers

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

Filtration Segment



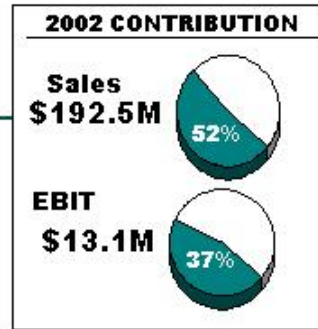
Filtration Segment

■ ESCO Addressable Market ~\$5B

■ Served Markets: Liquid Only

- Industrial Process (21%)
- Health Care (19%)
- Auto (21%)
- Consumer & Appl. (13%)
- Aero (26%)

• Includes Potable Water ESCO DOES NOT SERVE MUNICIPAL WATER MARKET



■ Broad Blue Chip Customer Base:



Filtration Growth Drivers

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

RF Shielding & Test Segment



RF Shielding & Test

■ Market Profile

- ESCO Addressable Market ~\$400M

■ Served Markets

- Electronics (46%)
- Health Care (43%)
- Other (2%)
- Auto (3%)
- Aero (6%)

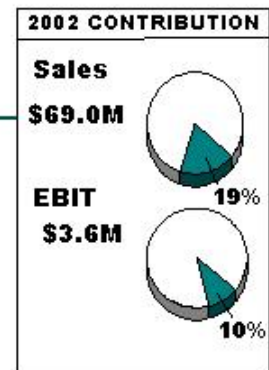
■ Broad Blue Chip Customer Base:



Agilent Technologies
Innovating the HP Way



We bring good things to life.



RF Shielding & Test

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

The Way Forward

Committed to \$3.00 per share in '05

Modest Support from Economy

Continued Growth of Communications: IOU's (Feature Expansion for Further Differentiation)

New Products in Filtration (Primarily Healthcare)

Extend our Reach in Test (International Opportunities and Served Markets)

Continue to Aggressively work our Cost and Improve our Competitive Position

Get even more Focused

Acquisitions as a Supplement

Committed to \$3.00 per share in '05

