



## **ESCO Announces Acquisition of Aerospace Supplier**

November 7, 2016

ST. LOUIS, November 7, 2016 - ESCO Technologies Inc. (NYSE: ESE) today announced that it has acquired Mayday Manufacturing Co. (Mayday) and its affiliate, Hi-Tech Metals, Inc. (Hi-Tech). Mayday and Hi-Tech (collectively, the "Business") are industry leading aerospace suppliers operating together in a state-of-the-art, expandable 130,000 square foot facility in Denton, Texas.

The Business, which will become part of ESCO's Filtration operating segment, has annualized sales of approximately \$40 million and operating margins consistent with the segment in total. The terms of the transaction were not disclosed.

Mayday is a market leading manufacturer of mission-critical bushings, pins, sleeves and precise-tolerance machined components for landing gear, rotor heads, engine mounts, flight controls, and actuation systems for the aerospace and defense industry.

Hi-Tech is a full-service metal processor offering a vast portfolio of unique and challenging processing services to aerospace OEM's and Tier 1 suppliers. Hi-Tech's capabilities include anodizing, cadmium and zinc-nickel plating, organic coatings, non-destructive testing, and heat treatment.

The Business provides a unique value proposition to its aerospace and defense customers by serving as a vertically-integrated supplier of close-tolerance machined parts and metal processing services. Coupled with a high-mix, low volume production profile demanding operational excellence, the Business has earned an expansive list of compliance certifications and approvals from the majority of the world's leading commercial and defense OEM's and their key suppliers. As a result, the Business has a global customer base with long-term agreements (LTA's) in place covering a wide variety of aerospace platforms with no major customer or airframe concentrations.

Sam Chapetta, Filtration Group President, commented, "We are continually looking to expand our product offering and to gain more content on our existing aerospace and defense platforms, and by adding the well-proven capabilities of Mayday to our existing product portfolio, we've created an additional avenue for meaningful growth across our existing customer base. Mayday and Hi-Tech produce a wide range of niche products with precise tolerances and difficult to manufacture components, all done with outstanding results. This level of manufacturing excellence has resulted in the Business consistently being recognized as a preferred supplier which provides a proven path for continued growth with current and future customers."

Vic Richey, Chairman and Chief Executive Officer, commented, "Expanding our content across the global aerospace and defense market is an integral part of our strategy, and I'm confident this acquisition will result in additional growth opportunities for us. Additionally, these unique technologies create a significant opportunity for us to further expand our aerospace related offerings into a broader platform of new product development areas. I'm excited to welcome the outstanding and dedicated employees of Mayday and Hi-Tech to our ESCO team."

Salem Partners LLC, a Los Angeles based Investment Banking and Wealth Management Company, acted as the seller's exclusive advisor.

### **Forward-Looking Statement**

Statements in this release regarding sales, growth and benefits resulting from the Business acquisition, and other statements which 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 the date of this release, and the Company undertakes no duty to update them except as may be required by applicable laws or regulations. The Company's actual results in the future may differ materially from those projected in the forward-looking statements. Factors that could cause actual results or events to differ materially from those indicated by such forward-looking statements, include: customer demand, technical issues, success of integration efforts, the factors described in Item 1A, Risk Factors, of the Company's annual report on Form 10-K for the year ended September 30, 2015.

ESCO, headquartered in St. Louis: Manufactures highly-engineered filtration and fluid control products for the aviation, space and process markets worldwide; is the industry leader in RF shielding and EMC test products; provides diagnostic instruments, software and services for the benefit of the electric utility industry and industrial power users; and, produces custom thermoformed packaging, pulp based packaging, and specialty products for medical and commercial markets. Further information regarding ESCO and its subsidiaries is available on the Company's website at [www.escotechnologies.com](http://www.escotechnologies.com).

SOURCE ESCO Technologies Inc.

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