



ESCO Announces Acquisition of Renewable Energy Industry Supplier

May 8, 2017

ST. LOUIS, May 8, 2017 - ESCO Technologies Inc. (NYSE: ESE) today announced that it has acquired NRG Systems, Inc. (NRG), doing business as Renewable NRG Systems, located in Hinesburg, Vermont. NRG, founded in 1982, is the global market leader in the design and manufacture of decision support tools for the renewable energy industry, primarily wind.

NRG serves electric utilities, wind turbine manufacturers, renewable energy developers, research institutes, and government agencies in more than 150 countries (www.NRGsystems.com).

The business, which will join Doble Engineering as part of ESCO's Utilities Solutions Group (USG) operating segment, has annualized sales of approximately \$45 million (with nearly half of its sales coming from international markets) and operating margins in the mid-teens. The terms of the transaction were not disclosed.

NRG's expertise spans both resource assessment products and wind plant optimization equipment such as turbine control sensors, Lidar, and condition based monitoring systems. The products are used during both the pre-development stage of a project and the operational stage when project owners need to optimize the performance of their assets.

The company's products and applications are targeted at the following market segments:

- *Wind Resource Assessment* which is the systematic collection of wind data at potential wind farm sites to allow wind farm developers to estimate the future power output of a variety of wind farm sizes and turbine arrangements. Customers use this information to design the layout of the wind farm, secure project financing, and make other critical decisions.
- *Wind Plant Optimization* enables wind farm operators and owners to maximize their annual energy production, reduce their operating and maintenance (O&M) costs, increase system reliability, and drive down the levelized cost of energy.
- *Solar Resource Assessment* is the systematic collection of solar data at a prospective solar energy production site to develop an accurate estimate of that facility's annual energy production potential.
- *Solar Monitoring* allows solar project operators to track electrical output precisely in order to trigger real-time maintenance and build long-term preventative maintenance programs.

Bryan Saylor, President of Doble, commented, "The addition of NRG offers Doble the opportunity to access the growing renewable energy market, expand our geographic presence, and provide our existing customers with proven tools to optimize their renewable energy generation assets."

Justin Wheatling, President of NRG, commented, "Becoming part of ESCO further strengthens our ability to grow through the continued investment in new products and the expansion of our existing technologies into new markets. We are excited about our future and pleased to join a company that shares our core values and demonstrates its strong focus on customers and employees."

Vic Richey, Chairman and Chief Executive Officer, commented, "Adding NRG to our existing utility segment introduces a unique and exciting growth opportunity for ESCO. NRG's capabilities are a great complement to Doble's product and solution portfolio providing an immediate entry point into a large and growing market. Clean, renewable and sustainable energy is a \$300 billion-plus per year global industry where approximately 600 gigawatts (GW) of new wind capacity and 700 gigawatts (GW) of solar PV capacity are expected to be added over the next 10 years. NRG is clearly a market leader with an exceptional brand, reputation, and strong management team, and I'm excited to welcome the outstanding and dedicated employees of NRG to our team."

Forward-Looking Statement

Statements in this release regarding sales, growth and benefits resulting from the 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, 2016.

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.

SOURCE ESCO Technologies Inc.

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