



# Engineered *for* Growth

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**INVESTOR  
PRESENTATION**



## Forward Looking Statement

Statements regarding the future impacts of and the Company's response to COVID-19 and its variants, the Company's results, revenue growth, cash generation, the strength of the Company's end markets, the success of acquisition efforts, the ability of the Company to expand globally, performance improvements, increases in shareholder value, investments, the timing of sales, cost reductions, increase in the demand for electricity, increase in new wind capacity, predicted growth drivers, the expected size and timing of the SLS program, the Virginia and Columbia Class submarines, the success of product development and related launch efforts, and other statements contained herein which are not strictly historical are considered "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 presentation and the Company undertakes no duty to update. 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: the risk factors described in Item 1A of the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2021; the duration and impacts of COVID-19, its variants and related vaccine mandates including without limitation to the Company's workforce, its customers, its suppliers, and its end markets; global economic conditions impacting commercial aerospace; defense budgets; the availability of select acquisitions on acceptable terms; the success of profit improvement actions; weakening of economic conditions in served markets; shortages of critical components; changes in customer demands or customer insolvencies; competition; intellectual property rights; containment of engineering and development costs; the performance of the Company's international operations; increased tensions between the US and China resulting in the imposition of sanctions or other actions; unforeseen charges impacting corporate operating expenses; technical difficulties; delivery delays or defaults by customers or suppliers; termination for convenience of customer contracts; timing and magnitude of future contract awards; performance issues with key suppliers and subcontractors; labor disputes; material changes in the costs of or tariffs imposed upon certain raw materials; the impacts of natural disasters and climate change; changes in laws and regulations including changes in accounting standards and taxation requirements; costs relating to environmental matters arising from current facilities, former facilities, and their related operations; uncertainty regarding the ultimate resolution of current disputes, claims, and litigation; and the Company's successful integration of newly acquired businesses.

## 30 years after spin-off, ESCO today...

- > Our **Aerospace & Defense (A&D)** companies provide highly-engineered hydraulic filtration systems, fluid control valves, machined components, and metal finishing for the aerospace, space and defense industries. In addition, we design and manufacture complex shock and vibration dampening tiles and signature reduction solutions that enhance the stealth capabilities of U.S. Navy submarines and surface ships.
- > Our **Utility Solutions Group (USG)** delivers industry-leading diagnostic testing and assessment, condition monitoring and protection testing equipment, laboratory testing services, and data analytics vital for maintaining electric grid reliability and renewable energy project development.
- > Our **RF Shielding and Test (Test)** business is an innovative supplier of test and measurement systems and shielded enclosures. Our comprehensive solutions identify, measure and contain magnetic, electromagnetic and acoustic energy, creating an environment that isolates and controls energy emissions.

## FY'21 Financial Results<sup>(1)</sup>

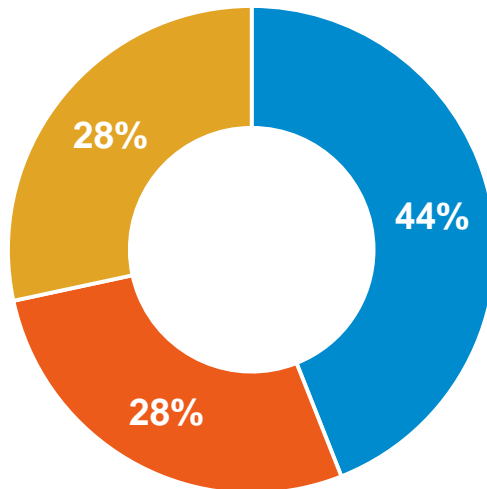
Dollars in Millions

**Sales**  
**\$715m**

**A&D**  
\$315m

**USG**  
\$203m

**Test**  
\$197m

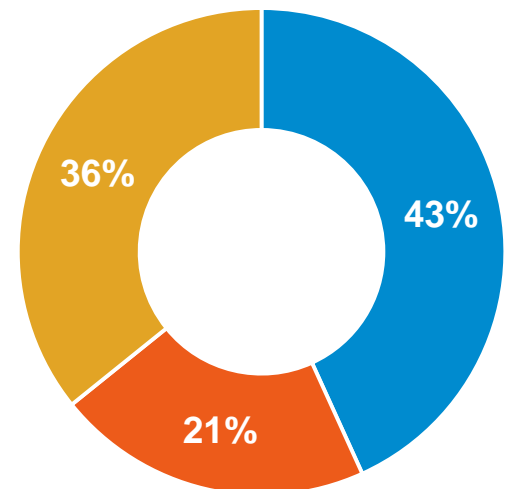


**Segment EBITDA - As Adjusted<sup>(1)</sup>**  
**\$156m**

**A&D**  
\$67m

**USG**  
\$56m

**Test**  
\$33m

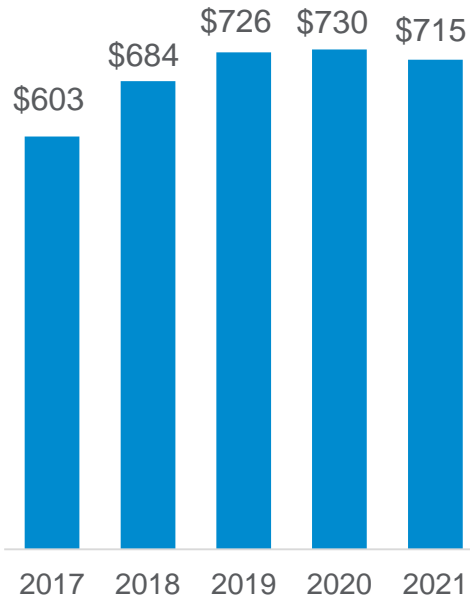


1) Excludes \$25 million of Corporate costs and \$6 million of charges mainly consisting of one-time compensation and acquisition costs at Corporate, restructuring costs primarily within the USG segment, and purchase accounting adjustments related to the Phenix and Altanova acquisitions, partially offset by the final settlement from the sale of the Doble Watertown facility. See Chart 32 for supporting detail.

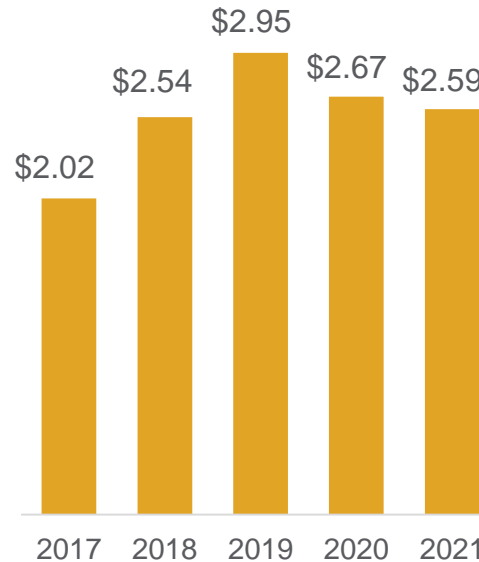
## 5 Year Results from Continuing Operations<sup>(1)</sup>

### Net Sales

In Millions

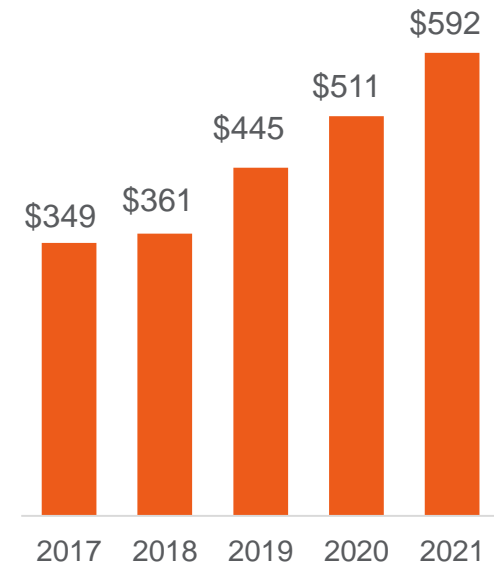


### EPS – As Adjusted<sup>(2)</sup>



### Ending Backlog

In Millions



1) Excludes Discontinued Operations – Technical Packaging Segment sale completed 12/31/19. See Page 32 for supporting detail.

2) See Page 32 for GAAP reconciliation.

## ESCO Defined

ESCO is a global provider of highly-engineered products and solutions serving diverse and growing end-markets

- > Shared characteristics
  - Technology driven products and services
  - Market leader across several niche markets
  - Deep and broad engineering and operating expertise
  - Highly automated manufacturing processes

## ESCO Investor Fundamentals

- > **Positioned for Profitable Growth**
  - Organic – Continuing innovation and expansion of highly-engineered products & solutions
  - M&A – Acquisitions expanding product offerings and geographic footprint
- > **Identifiable Opportunities for EBITDA Growth across End-Markets**
  - A&D – Navy and space programs, commercial aero recovery
  - USG – Return to normal testing post-COVID, aging infrastructure, renewables
  - Test - Strong end-market growth, international opportunities, power filters
- > **Strong Balance Sheet Allows Investment in Existing Businesses and Pursuit of Acquisition Opportunities**
  - Capital investment to improve operating efficiency & expand product offerings
  - Acquisitions to supplement growth, accretive to EBITDA and EPS
- > **Commitment to Cost Structure Optimization and Cash Flow Management**
- > **Return on Invested Capital (ROIC) Focus – Management and Shareholder interests aligned**

## Continuing Pursuit of M&A to Support Growth

- > Characteristics we are looking for:
  - In our core businesses or markets, or really near
  - Strong market positions
  - Leadership in niche markets
  - Technology driven products or services
  - Reasonably predictable revenue streams
  - Solidly profitable
  - Clearly defined growth opportunities
  - Synergistic to core business platforms





# Aerospace & Defense

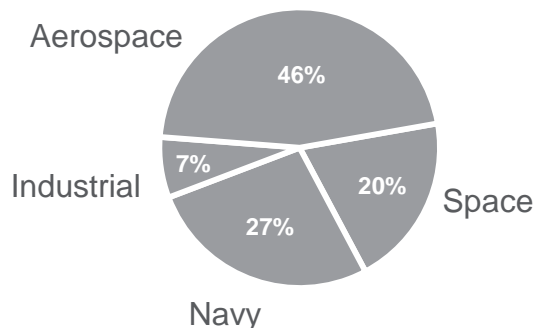


## Overview

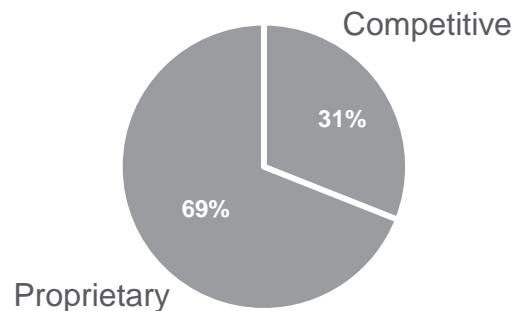
- > Provides highly-engineered products and solutions to the Aerospace, Navy, Space & Industrial markets
- > 2021 Revenue down 3% from 2019 related to COVID impact on commercial aerospace
  - Lower commercial aero revenue substantially offset by growth in Navy, defense aero & industrial
- > 2021 Adjusted EBITDA Margin of 21.4%
- > Long term programs (20 - 40 years)
  - Production, Aftermarket, Repairs & Spares



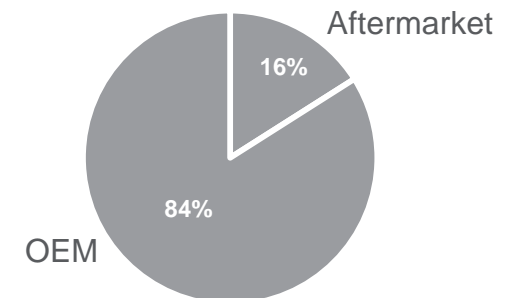
Sales by End Market



Proprietary Vs. Competitive



OEM Vs. Aftermarket



## Aerospace

### **PTI Technologies**

- > Leading provider of filtration systems and components for commercial, military and business aircraft
  - Hydraulic, Fuel and Air filtration – modules/manifolds, filter elements & indicators
  - 2021 NEco Acquisition adds miniature electro-explosive components and subsystems

### **Crissair**

- > Industry leader in a wide range of products from miniature fluid control valves and components to large manifold assemblies for the aerospace, defense and space industries
  - 2020 ATM acquisition added precision metal parts and grinding capability

### **Mayday Manufacturing**

- > Leading build-to-print manufacturer of mission-critical bushings, pins, sleeves and precise-tolerance machined parts for the aerospace industry
- > Full-service metal processor - anodizing, cadmium and zinc-nickel plating, organic coatings, non-destructive testing and heat treatment

## Navy & Space

### VACCO Industries

- > Leading supplier of specialty valves, filters, and fluid control products for vital Navy and space programs
  - Navy - air and water valves and manifolds for submarines / Critical Quiet Technology
  - Space - fluid control/propulsion components for launch vehicles, crew capsules, and satellites

### Westland Technologies

- > Designs and manufacturers elastomeric signature reduction solutions to enhance Navy platform survivability
  - Complex tiles and shock and vibration dampening systems that reduce acoustic signatures and modify signal emissions on submarines and surface ships

### Globe Composite Solutions

- > Vertically integrated supplier of mission critical composite-based products for Navy and industrial customers
  - Navy - Special Hull Treatment (SHT) & baffle panels to increase stealth capabilities of submarines
  - Industrial - shielding for security, material handling, and marine applications.



## Growth Drivers

> Large and well-defined addressable markets

> **Aerospace**

- Commercial Aero - recovery off low base related to COVID
- 2021 order strength and ending backlog are positive signs

> **Space**

- Space Launch System (SLS) - Production Hardware ~\$30M-\$35M per launch
- Deep Space Exploration - Artemis program
- Satellites - Shift to smaller satellites / cubesats / constellations
  - Cold Gas and Green Propellant Micro-Propulsion Systems (MIPS)

> **Navy**

- Submarines – Quiet/Non-Quiet Valves & Manifolds, Special Hull Treatment (SHT), and Vibration and Sound Dampening components
  - Virginia Class - Program well funded - Navy procuring 2 per year / Plan for 66 subs
    - Block IV – 10 subs (boats 19-28) - 4 launched / 6 under construction
    - Block V – 10 subs (boats 29-38) - first 4 boats under construction
    - Shipset Content ~\$28M – including Virginia Payload Module (added boat 30)
  - Columbia Class - Ohio Class replacement - Navy's top priority
    - Program plan to design & build 12 Subs / Procured 1<sup>st</sup> boat in 2021 / Plan to procure 2<sup>nd</sup> boat in 2024 (per 12/8/21 CRS Report)
    - Shipset Content TBD / Consistent with VA Class
  - Spares & Repairs above trend growth through 2027
- Surface Ships - Aircraft Carriers & Destroyers - Signature reduction solutions





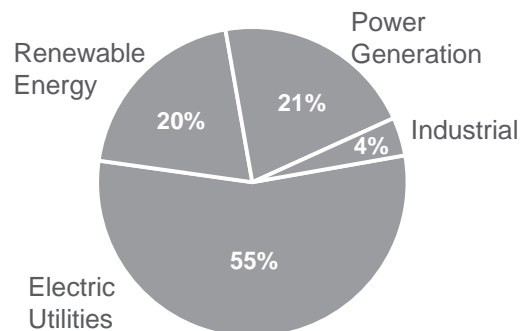
# Utility Solutions Group



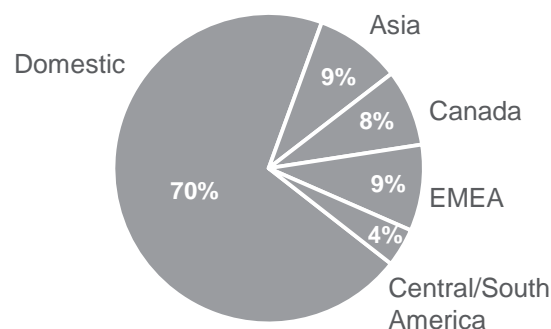
## Overview

- > Doble provides industry-leading diagnostic test equipment, software, and services to maintain and optimize electric power infrastructure performance
  - Doble brand has a strong domestic market share and perception of trusted excellence and independence - 3<sup>rd</sup> party extension of utility's organization
  - Doble "Knowledgebase" - statistical database utilized for baseline and trend analytics
  - Acquisitions expanding product offerings & geographic reach
- > NRG products serve multiple stages of wind and solar energy project development and energy production optimization
- > 2021 Adjusted EBITDA Margin of 27.5%
  - Focus on cost structure optimization during COVID

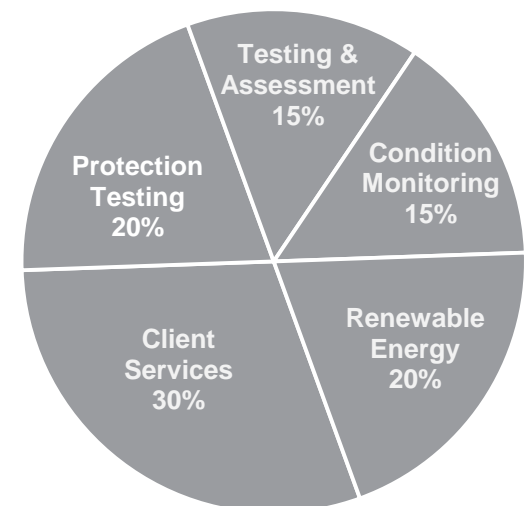
**Sales by End Market**



**Sales by Geography**



**Sales by Product Area**



## Protection Testing

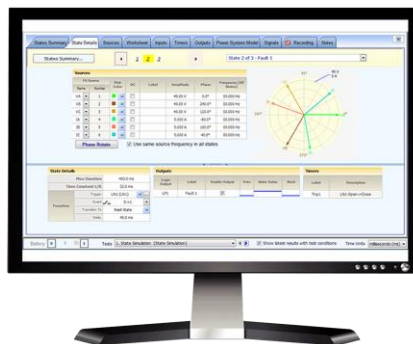
- > Power System Simulators – Diagnostic equipment and software solutions for the verification of system protection
  - **Doble F8 Series** - New modular, configurable power system simulator for both conventional and digital protection testing applications
  - **Doble F6150** - Power system simulator to test relays and schemes
  - **Manta MTS-5100** - All-in-one relay test set
  - **Protection Suite Software** - Data management software for analyzing, storing and reporting to regulatory agencies



F8300 Seven-Module Test Set



F6150 Power System Simulator



Protection Suite Software



MTS-5100 Protective Relay Test System



## Condition Monitoring Products (Online Solutions)

### > **doblePRIME™**

- Transformer condition monitoring system
- Remote access to overall transformer health
- Modular Design
  - Dissolved Gas Analysis (DGA) – **Calisto™ Monitors** - detection and diagnosis of impending failures
  - Bushings - **doblePRIME IDD™** - detects deterioration in bushings and abnormalities in insulation
  - Partial Discharge (PD) - **doblePRIME PD Guard™** - monitors PD in transformers, rotating machines, cables, and switchgear
  - Moisture - **doblePRIME Domino™** - monitors moisture in oil
- **doblePRIME Analytics™** - aggregates data from monitored devices for a comprehensive view of asset conditions
  - Provides communication, analytics, and alerts/alarms



## Testing & Assessment - Offline

- > **M7100 High-Voltage (HV) Asset Analyzer**
  - Complete solution - automates tests previously performed by several instruments reducing testing time and technician ladder trips
  - **Doble Test Assistance (DTA) Software** – collection, analysis and management of Doble M-Series test results
- > **Sweep Frequency Response Analyzer (SFRA)**
  - **M5500™ & SFRA 6 Software** – powerful new tools provide faster analysis of mechanical integrity within HV transformers
- > **Doble Universal Controller™ (DUC)**
  - Ultra-rugged tablets/laptops for field applications
  - NERC/CIP compliant transient cyber asset solution
- > **Circuit Breaker Testing**
  - Vanguard offers a complete line of circuit breaker test equipment



M7100 HV Asset Analyzer



M5500™ SFRA



Doble Universal Controller™

## Testing & Assessment - In-Service

- > **PDS100/200 – PD Surveyors**
  - Identify and analyze radio frequency (RFI) and electromagnetic (EMI) emissions associated with faulty or degraded insulation
- > **Spark P3 - New Universal PD & EMI Analyzer**
  - Uses a software defined radio signal detector to identify characteristics of insulation deterioration that could lead to the failure of HV equipment
- > **Myrkos – Portable DGA - Lab quality DGA in the field**



Spark P3  
Universal PD &  
EMI Analyzer

## Doble Client Services

### > Doble Knowledgebase

- Statistical database utilized in analysis of utility asset test results
- > 55 million test results on over 100,000 types of apparatus
- Independent broker / brand agnostic

### > Equipment Leasing

- HV test equipment leasing program / recurring revenue

### > Consulting & Testing Services

- Doble Power Services leverages “Knowledgebase” and our experienced engineering team and allows customers to outsource diagnosis and assessment of critical assets

### > Conferences & Training

- International Conference of Doble Clients
  - Brings together power industry peers for education, discussion, and collaboration on asset management, operational concerns, and diagnostic approaches to asset optimization
- Industry leader in training and education for the electric power industry
  - Topics include Asset Management, Power Transformers, Protection Theory, Substation Equipment, Lab Diagnostics, Rotating Machinery & Power Cables

### > Laboratory Services

- Fully equipped labs provide a wide variety of testing and diagnostic services and solutions to address client apparatus issues
  - Oil Analysis, Forensic Analysis, DGA, Insulation Testing & HV Testing

## Renewable Energy (NRG Products)

### > Wind & Solar

- Data Loggers – Collect and store data from meteorological sensors and other devices
  - SymphoniePRO® / SymphoniePLUS®3 / LOGR-S
- Met Sensors – Anemometers, Pyranometers & Wind Vanes
- Towers – Sensors are mounted on galvanized steel NRG Towers

### > Wind

- Light Detection & Ranging (LIDAR) - Remote sensing equipment utilized in Wind Resource Assessment (WRA), turbine optimization, and weather applications
  - Reliable data at a range of heights – ideal as turbine height increases
- Bat Deterrent Systems
  - Pioneering technology to support bat conservation
  - Emits ultrasonic acoustic field to discourage bats from entering airspaces

### > Solar

- Solar Resource Assessment (SRA) – Pre-construction resource assessment solution for utility-scale photovoltaic (PV) solutions
- Solar Resource Monitoring (SRM) – Performance monitoring and optimization system for solar installations



LOGR-S Solar Data Logger



SymphoniePRO®  
Wind Data Logger



LIDAR - Spidar  
Vertical Profiler



SRM System

## Altanova & Phenix Acquisitions (Closed in Q4 FY'21)

### > Altanova

- Products largely complementary to Doble – partial discharge, cable, switch gear, and battery monitoring and testing
- Serves power generation, transmission and distribution, renewable energy and storage, and process industries worldwide

### > Phenix

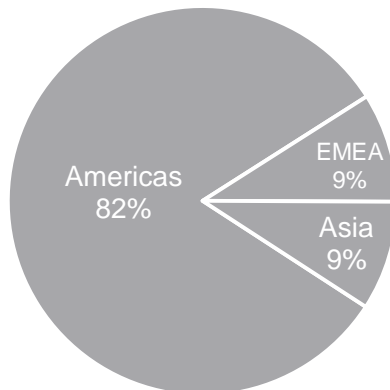
- Products include resonant/transformer/motor test systems, AC & DC dielectric high potential (HIPOT) test equipment, & HV cable test equipment
- Serves electric utilities, HV test labs (commercial and industrial), and field service organizations world-wide

> These acquisitions expand our global diagnostic instrumentation and services platform

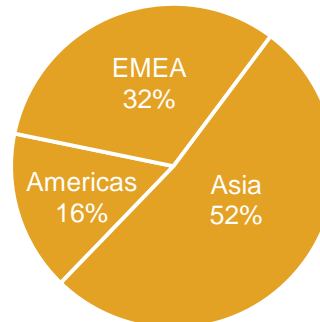
> Add ~\$55 million in revenue on an annual basis

### Expanded Geographic Footprint

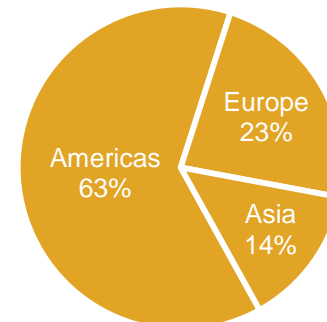
USG – Before Acquisitions



Altanova



Phenix





## Growth Drivers

- > **Increasing Demand for Power**
  - Electricity demand expected to increase 79% over next 30 years (per U.S Energy Information Administration)
    - Electric Vehicles a big driver
- > **Aging Infrastructure – Increasing need for Asset Surveillance**
  - 70% of transformers are 25+ years old
  - Bipartisan Infrastructure Bill includes \$73B for new transmission lines & \$15B for EV incentives
- > **Drive for more Resilient Power Systems**
  - Infrastructure improvements to upgrade and protect grid from increasingly intense weather events
  - Failure rate of large power transformers increasing - costly outages / utility fines & penalties
- > **Transition to Renewable Energy**
  - Global de-carbonization “Net Zero” Commitments – Renewables + Electrification of Transportation
  - International Energy Agency – Renewables 2020 Report
    - Solar photovoltaic (PV) & onshore wind are least expensive ways to add electricity generation in most countries today
    - Renewables are projected to account for 95% of the net increase in global power capacity through 2025
- > **Conversion to Condition Monitoring Solutions**
  - Grid management trending towards digitization and online monitoring solutions
- > **Increasing Regulatory Compliance Requirements**
  - North American Electric Reliability Corporation Critical Infrastructure Protection (NERC CIP)
- > **Expanding New Products and Software Solutions**
  - F8000, DUC™, M5500™, SFRA 6 Software, doblePrime™, Calisto™ T1, M7100, Protection Suite Software, PowerBase™
  - Acquisitions have expanded dissolved gas analysis, circuit breaker/relay/motor testing, cable/switch gear/battery monitoring, and renewable energy product offerings
- > **Global expansion**
  - Altanova provides USG with an international platform to pursue overseas business
    - In the local time zone, language and currency



**F8000 – June  
2021 Introduction**



# RF Shielding & Test

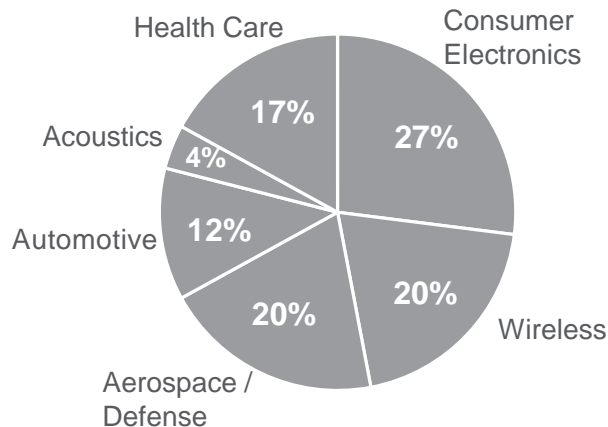




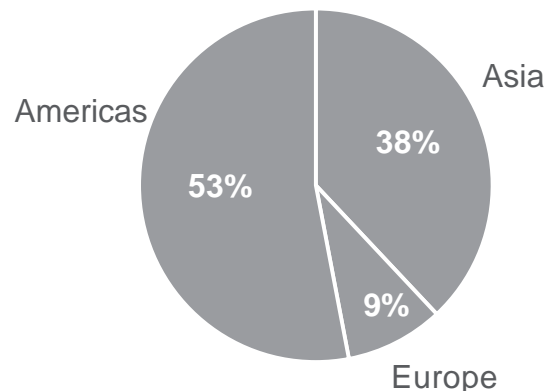
## Overview

- > Provides test and measurement systems that identify, measure and contain magnetic, electromagnetic and acoustic energy
  - Products create an environment that isolates and controls unintended energy emissions to insure immunity and compatibility during new product development
- > Provides medical, electromagnetic pulse (EMP), and general purpose industrial shielding
- > Serves diverse end-markets and global customer base
- > Delivered solid revenue growth and record orders in 2021
- > Maintained 2021 EBITDA margin of 17% despite supply chain, labor and logistics challenges related to COVID

Sales by End Market



Sales by Geography



Global Customer Base



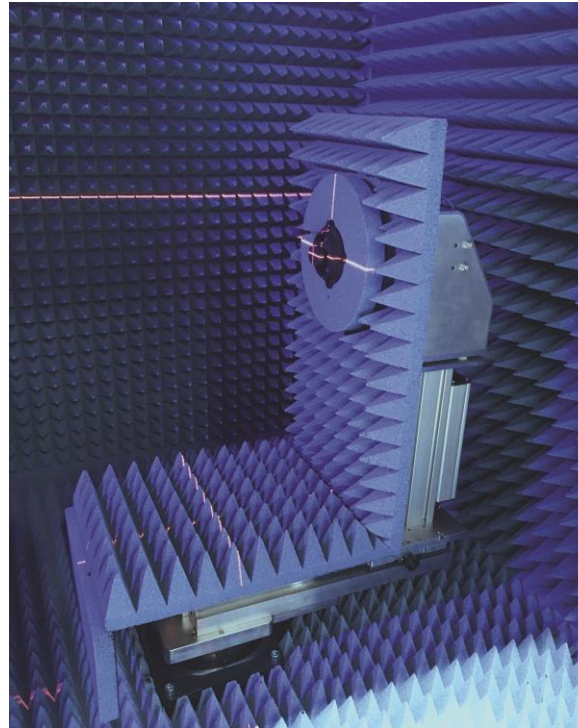


## Diverse Product Offerings

### Shielded Doors



### Chambers/Systems



### Shielded Intraoperative MRI Suites



### Power Line Filters



### Shielded Enclosures

### Antennas & Test Accessories



## Growth Drivers

- > Consistent order strength supporting solid backlog
  - Pipeline remains strong - Record orders in 2021 across all end-markets and regions
- > Power Line Filters (Red Edge™ Pulse Protection)
  - Used to insure clean power is provided to buildings & is free of unwanted transient energy such as electromagnetic pulses (HEMP/EMP)
  - Prevents damage to critical equipment due to energy bursts on power lines
  - Broad market applications – commercial, military & government
- > International Growth
  - Increasing development / manufacturing of electronics overseas
  - Increasing international requirements for electromagnetic compatibility (EMC) testing
    - Significant increase in EMC chambers in China
- > Increasing electronic content
  - Increased content with higher frequencies and functionality (5G)
  - Increased Electronic / RF “Pollution” = Interference
- > Increasing wireless communication
  - The Internet of Things - Everything connected wirelessly
  - Autonomous Vehicles



# Summary





## Wrap-up

- > We have confidence in our well-tested operating model
  - 3 solidly profitable business segments with diverse end-market exposure and solid organic growth prospects
- > Commercial aerospace and electric utility markets beginning to show signs of longer-term recovery
  - Solid 2021 orders and ending backlog
- > Plan to continue to supplement growth with small to mid-size M&A
  - Balance sheet and Management bandwidth to make this happen
- > ROIC Focus – Management and Shareholder interests aligned



## Financial Highlights



## FY'21 Segment Performance (\$ in Millions)

	Net Sales	EBIT <sup>(1)</sup>	Adjustments <sup>(2)</sup>	D&A	EBITDA As Adjusted	EBITDA Margin
A&D	\$ 314.8	\$ 56.5	\$ 0.5	\$ 10.4	\$ 67.4	21.4%
USG	202.9	40.9	1.5	13.5	55.9	27.5%
Test	197.7	27.6	-	5.2	32.8	16.6%
Segment Totals	715.4	125.0	2.0	29.1	156.1	21.8%
Corporate	-	(42.1)	4.0	12.9	(25.1)	
Continuing Ops	715.4	82.9	6.0	42.0	131.0	18.3%
EBITDA Reconciliation						
Less D&A					(42.0)	
Less Interest					(2.3)	
Less Income Tax					(18.6)	
Net Earnings – As Adjusted					\$ 68.1	9.5%

(1) See page F-27 in the 2021 Form 10-K

(2) Excludes \$4.0 million of one-time compensation and acquisition costs at Corporate, \$2.7 million of restructuring costs primarily with the USG segment, and \$1.3 million in purchase accounting adjustments related to the Phenix and Altanova acquisitions, partially offset by the \$2.0 million final settlement related to the sale of the Doble Watertown facility.

## Financial Highlights (\$ in Millions)

	2017	2018	2019	2020	2021
Net Debt	\$229	\$190	\$223	\$10	<b>\$98</b>
Leverage Ratio	2.2x	1.7X	1.7X	.5X	<b>1.0X</b>
Debt-to-Capital	29%	22%	26%	6%	<b>13%</b>
Available Liquidity	\$461	\$484	\$519	\$728	<b>\$587</b>
Cash from Operating Activities <sup>(1)</sup>	\$62	\$84	\$101	\$109	<b>\$123</b>

<b>FY 2021 Backlog</b> <sup>(1)</sup>	Beginning Backlog	Orders <sup>(2)</sup>	Sales	Ending Backlog	Book-to-Bill
A&D	344.6	337.4	314.8	367.2	1.07
USG	50.7	243.8	202.9	91.6	1.20
Test	115.9	215.0	197.7	133.2	1.09
Total - Continuing Operations	511.2	796.2	715.4	592.0	1.11

1) Excludes Discontinued Operations - Technical Packaging Segment sale completed 12/31/19.

2) Includes \$29 million of acquired backlog related to Altanova and Phenix acquisitions.

## Discontinued Operations and Adjustments to Earnings Detail

Technical Packaging (Divested 12/31/19)	2017	2018	2019	2020	2021
Sales (\$ in Millions)	82.9	87.9	86.9	-	-
Ending Backlog (\$ in Millions)	23.6	15.5	13.0	-	-
EPS – As Adjusted	\$0.20	\$0.23	\$0.13	\$2.93 <sup>(1)</sup>	-
Segment EBITDA – As Adjusted Cont Ops	2017	2018	2019	2020	2021
EBITDA	117.0	134.5	150.6	84.5	125.0
Corporate Costs	20.0	24.0	26.8	25.0	25.2
Discrete Adjustments	6.1	4.8	0.6	48.9	6.0
Disc Ops – Technical Packaging	(10.9)	(10.9)	(10.1)	-	-
Segment EBITDA – As Adjusted Continuing Ops	132.2	152.4	167.9	158.4	156.2
EPS – As Adjusted Continuing Ops	2017	2018	2019	2020	2021
GAAP EPS	\$2.07	\$3.54	\$3.10	\$3.81	\$2.42
Discrete Adjustments	\$0.15	\$0.17	(\$0.02)	\$0.24	\$0.17
Pension Plan Termination	-	-	-	1.55	-
U.S. Tax Reform	-	(\$0.94)	-	-	-
Disc Ops – Technical Packaging	(\$0.20)	(\$0.23)	(\$0.13)	(\$2.93) <sup>(1)</sup>	-
EPS – As Adjusted Continuing Operations	\$2.02	\$2.54	\$2.95	\$2.67	\$2.59

1) Includes gain on sale in FY'20.





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**NYSE: ESE**