

ESCO TECHNOLOGIES INC
Form 10-Q
May 08, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(MARK ONE)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER 1-10596

ESCO TECHNOLOGIES INC.
(Exact name of registrant as specified in its charter)

MISSOURI 43-1554045
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

9900A CLAYTON ROAD 63124-1186
ST. LOUIS, MISSOURI (Zip Code)
(Address of principal executive offices)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No _____

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No _____

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting

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company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

Class	Outstanding at April 30, 2013
Common stock, \$.01 par value per share	26,436,497 shares

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ESCO TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(Dollars in thousands, except per share amounts)

	Three Months Ended March 31,	
	2013	2012
Net sales	\$ 166,178	173,863
Costs and expenses:		
Cost of sales	110,681	105,967
Selling, general and administrative expenses	45,751	47,944
Amortization of intangible assets	4,203	3,254
Interest expense, net	668	470
Other expenses (income), net	1,330	(376)
Total costs and expenses	162,633	157,259
Earnings before income taxes	3,545	16,604
Income tax expense	1,986	6,402
Net earnings	\$ 1,559	10,202
Earnings per share:		
Basic – Net earnings	\$0.06	0.38
Diluted – Net earnings	\$0.06	0.38

See accompanying notes to consolidated financial statements.

ESCO TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(Dollars in thousands, except per share amounts)

	Six Months Ended March 31,	
	2013	2012
Net sales	\$311,443	326,788
Costs and expenses:		
Cost of sales	204,719	198,688
Selling, general and administrative expenses	92,690	96,634
Amortization of intangible assets	7,703	6,407
Interest expense, net	1,231	961
Other expenses (income), net	1,258	(848)
Total costs and expenses	307,601	301,842
Earnings before income taxes	3,842	24,946
Income tax expense	2,037	9,537
Net earnings	\$1,805	15,409
Earnings per share:		
Basic – Net earnings	\$0.07	0.58
Diluted – Net earnings	\$0.07	0.57

See accompanying notes to consolidated financial statements.

ESCO TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)
(Dollars in thousands)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2013	2012	2013	2012
Net earnings	\$1,559	10,202	1,805	15,409
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	(1,786)	1,013	(811)	(543)
Pension adjustment	-	-	(109)	-
Interest rate swap adjustment	-	-	-	2
Total other comprehensive income (loss), net of tax	(1,786)	1,013	(920)	(541)
Comprehensive income (loss)	\$(227)	11,215	885	14,868

See accompanying notes to consolidated financial statements.

ESCO TECHNOLOGIES INC. AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS
 (Dollars in thousands)

	March 31, 2013 (Unaudited)	September 30, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$35,880	30,215
Accounts receivable, net	141,154	151,051
Costs and estimated earnings on long-term contracts, less progress billings of \$15,214 and \$30,534, respectively	15,523	14,567
Inventories	117,497	108,061
Current portion of deferred tax assets	22,706	22,313
Other current assets	38,699	17,237
Total current assets	371,459	343,444
Property, plant and equipment, net	80,699	