



Espey Mfg. & Electronics Corp. reports third quarter results

Saratoga Springs, NY, May 15, 2019 - Espey Mfg. & Electronics Corp. (NYSE American: ESP) announces results for its third quarter and first nine months of fiscal year 2019, ended March 31, 2019.

Net sales for the third quarter of fiscal year 2019, January 1 to March 31, 2019, were \$9.2 million, compared with last year's third quarter net sales of \$5.7 million. Net income for the period was \$922,456, \$0.39 per diluted share, compared with \$317,764, \$0.14 per diluted share for the same quarter last year.

For the first nine months of fiscal year 2019, July 1 to March 31, 2019, net sales were \$24.9 million, compared with \$24.7 million for the first nine months of fiscal year 2018. Net income for the period was \$1,201,886, \$0.50 per diluted share, compared with net income of \$2,375,399, \$1.02 per diluted share, for the same period last year.

The backlog for the Company was \$45.4 million at March 31, 2019, compared with last year's backlog of \$47.0 million at March 31, 2018. New orders in the first nine months of fiscal year 2019 were approximately \$22.2 million, compared with new orders in the first nine months of fiscal year 2018 of approximately \$28.6 million.

Mr. Patrick Enright, President and CEO, commented,

Our third quarter performance is indicative of where we stand on our major magnetics development programs, along with solid performance on our repeat production orders. One design has completed qualification, and had both test and production units delivered to our customers. The other two designs are complete, with units delivered to US Navy test facilities after extensive in-house testing. Qualification on these two designs will start in Q4, with the first production deliveries of our new 3.8 MW transformer planned before the end of fiscal year 2019.

We anticipated that fiscal year 2019 would be back-end loaded, with strong revenues and new sales orders anticipated during the final quarter of the year. We believe that the majority of new orders in the fourth quarter will come from our new products as they transition to low-rate initial production, consistent with our growth strategy implemented over the past several years. The new orders, if realized, will enable us to start Fiscal Year 2020 with a robust backlog.

Espey's primary business is the development, design, and production of specialized military and industrial power supplies/transformers. The Company can be found on the Internet at www.espey.com.

For further information, contact Mr. David O'Neil (518)245-4400.

This press release may contain certain statements that are "forward-looking statements" and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements represent the Company's current expectations or beliefs concerning future events. The matters covered by these statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those set forth in the forward-looking statements. The Company wishes to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made.