



INVESTOR PRESENTATION

May 25, 2021 | Nasdaq: NDSN

The Nordson E400 applicator with EcoBead applies adhesive to juice carton packaging line.

Safe Harbor Statement

Under the Private Securities Litigation Reform Act of 1995

Certain statements contained in this release are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by terminology such as “may,” “will,” “should,” “could,” “expects,” “anticipates,” “believes,” “projects,” “forecasts,” “outlook,” “guidance,” “continue,” “target,” or the negative of such terms or comparable terminology. These statements reflect management’s current expectations and involve a number of risks and uncertainties. These risks and uncertainties include, but are not limited to, U.S. and international economic conditions; financial and market conditions; currency exchange rates and devaluations; possible acquisitions including the Company’s ability to successfully integrate acquisitions; the Company’s ability to successfully divest or dispose of businesses that are deemed not to fit with its strategic plan; the effects of changes in U.S. trade policy and trade agreements; the effects of changes in tax law; and the possible effects of events beyond our control, such as political unrest, acts of terror, natural disasters and pandemics, including the current coronavirus (COVID-19) pandemic and the other factors discussed in Item 1A (Risk Factors) in the Company’s most recently filed Annual Report on Form 10-K and in its Forms 10-Q filed with the Securities and Exchange Commission, which should be reviewed carefully. The Company undertakes no obligation to update or revise any forward-looking statement in this presentation.



Nordson is an innovative precision technology company delivering top-tier growth with attractive margins and returns by serving diversified, attractive end markets around world.

Company Founded

1954

***Sales**

\$2.1B

***EBITDA**

\$567M

Employees

7,500+

**Countries with
Direct Presence**

35+

By the Numbers

Consistent Record
of Growth

Demonstrated
Value to
Customers

Disciplined focus
on profitability

Solid Returns

Differentiated
Product Portfolio*

Consistent value to
shareholders

5%

Sales Growth

54%

Gross Margins

27%

EBITDA Margins

13%

ROIC

1,926

Global Patents
Held

57 yrs.

of Annual
Dividend
Increases

Commitment to ESG



Diversified Board of Directors

- 56% diverse board (3 gender and 2 racially or ethnically diverse)
- 8 out of 9 independent directors
- 7 years average tenure



Strong Culture and Values

- Nordson Impact – Invest 5% of domestic pretax earnings in communities
- Paid time off for volunteer hours
- Employee support programs, including special COVID-leave



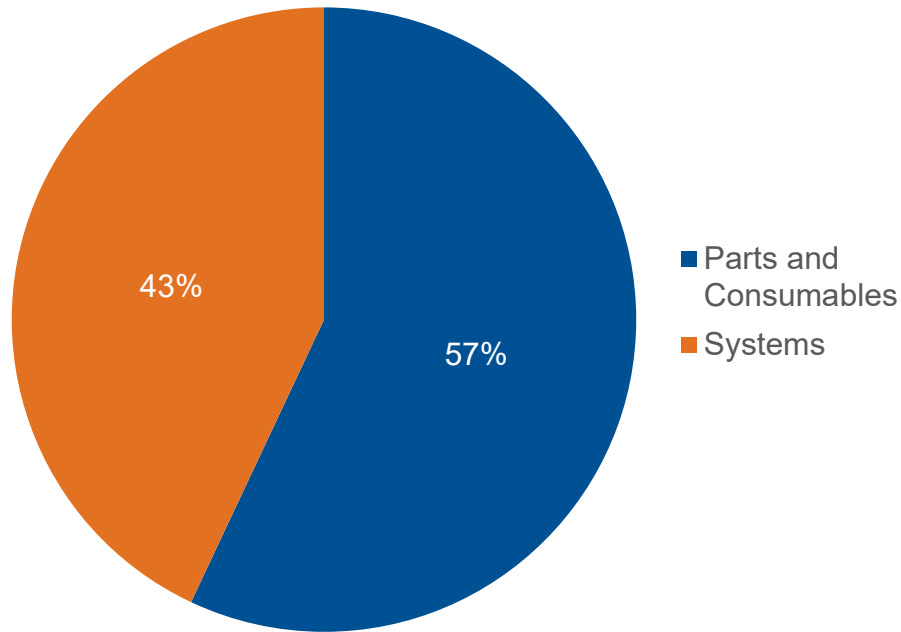
Environmental Stewardship

- Product design improvements focused on reducing customers' material utilization
- Journey to Zero adverse impacts to employees and community

Diversified Sources of Sales

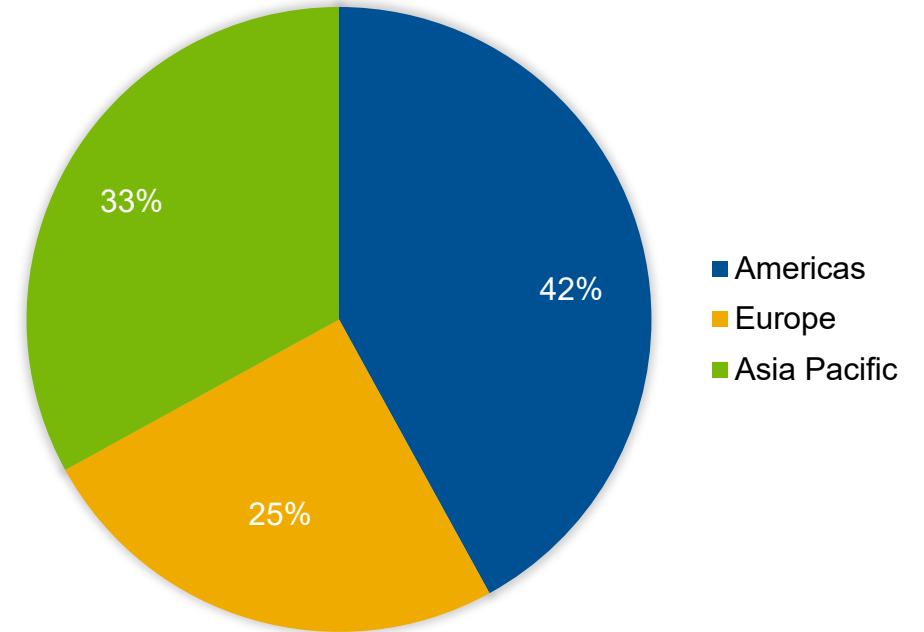
FY2020 Profile - \$2.1 Billion

Product Type



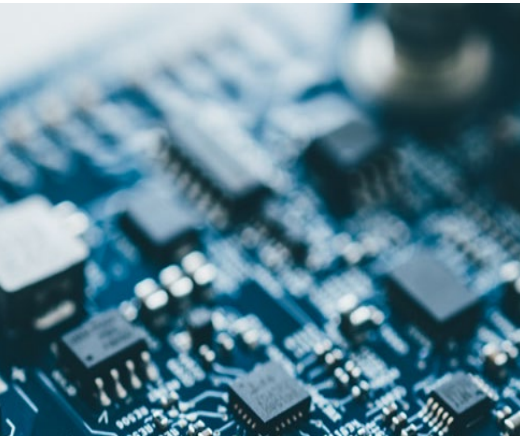
High percentage of recurring sales from parts and consumables.

Geographies



Nearly 65% of sales outside USA. Direct presence in over 35 countries.

Diversified End Markets



Electronics
27% of revenue

- Semiconductor packaging
- Wafer-level packaging
- Printed circuit boards
- Electronic component assembly – mobile phone, camera, ear buds, PC
- Automotive electronics



Consumer Non-Durables
26% of revenue

- Box sealing
- Baby diapers
- Convenience food packaging
- Beverage straw and spot attachment
- Container and bottle labeling



Medical
22% of revenue

- Balloons, extrusions, delivery catheters and other minimally invasive devices
- Single-use fittings, connectors, fluid transfer components in medical equipment and surgical procedures
- Single-use specialty cannula for cardio-pulmonary procedures



Industrial
14% of revenue

- Farm, construction and industrial machinery
- Rigid container
- Aerospace
- Chemical
- Defense
- Energy



Remaining Markets
11% of revenue

- Consumer durable
- Automotive
- Animal health & delivery systems

How We Are Organized



INDUSTRIAL PRECISION SOLUTIONS

ADVANCED TECHNOLOGY SOLUTIONS

Adhesives

Polymer Processing Solutions

Industrial Coatings Solutions

Medical

Electronic Processing Systems

Test and Inspection

Fluid Management

Industrial Precision Solutions

What We Do

Product lines reduce material consumption, increase line efficiency, and enhance product brand and appearance. Components are used for dispensing adhesives, coatings, paint, finishes, sealants and other materials. This business primarily serves the industrial, consumer durables and non-durables markets.

3%+ CAGR Long-Term Growth Driven By:

- Material, machinery and process innovations
- Emerging markets and product tiering
- New applications, including electric vehicle battery, automotive electronics, and fabric bonding
- Recapitalization of large installed base
- Deploying NBS Next in our divisions

2020 Revenues

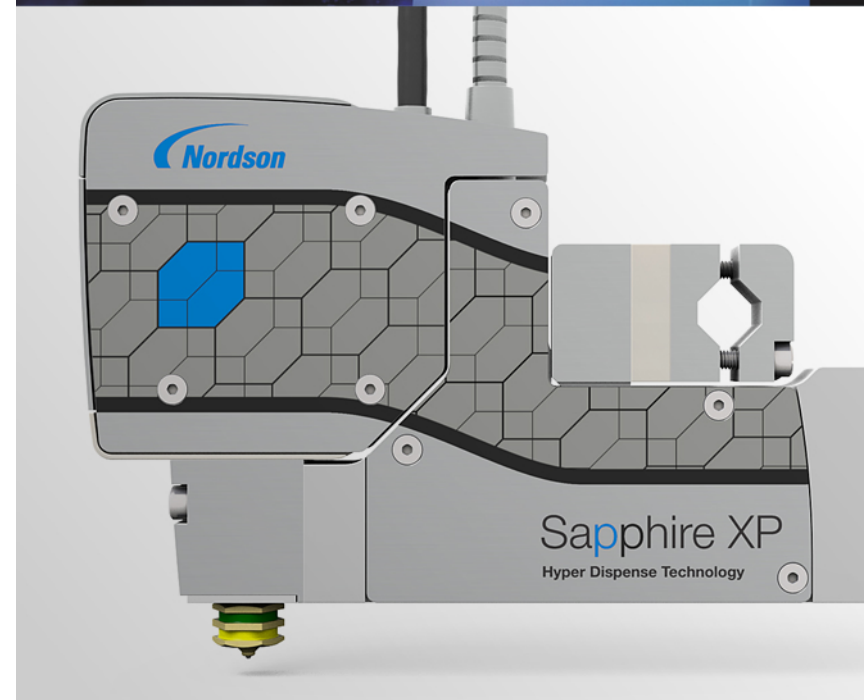
\$1,143M

2020
Operating
Margin*

26%

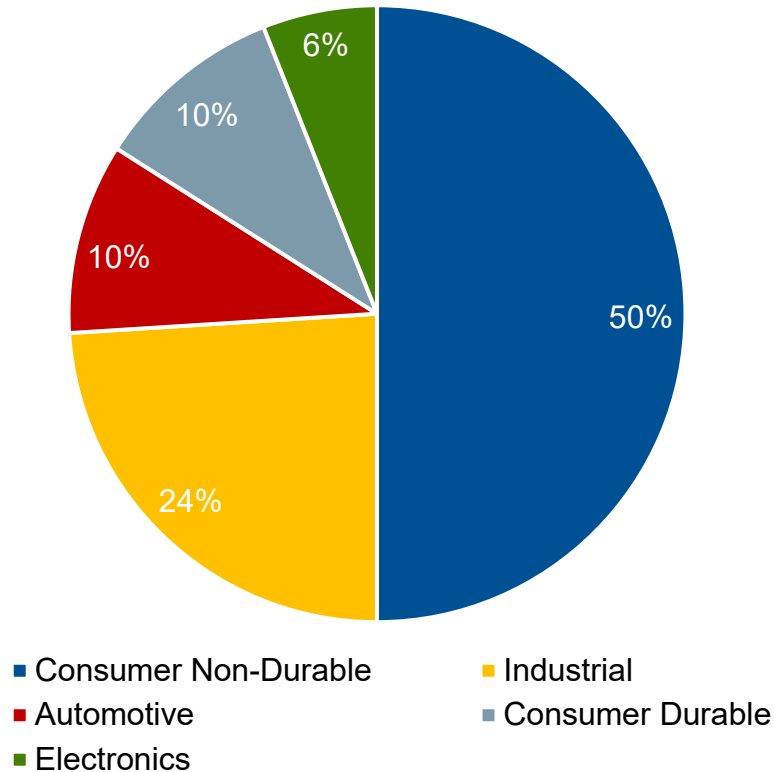
2020
EBITDA

30%



Industrial Precision Solutions

FY2020 Profile – Diverse end markets



End markets include:

- **Consumer Non-Durable:** beverage, disposable hygiene, food, paper, textiles, non-wovens, packaging
- **Industrial:** aerospace, chemical, construction, defense, energy, farm and construction machinery, industrial machinery, rigid container, metal
- **Automotive:** applications for new vehicle platforms; upgrades of current vehicle lines
- **Consumer Durable:** appliance, furniture, lighting
- **Electronics:** electronic products (i.e. wearables), printed circuit boards, UV curing of semi-conductor wafers and other electronic components

Advanced Technology Solutions

What We Do

Precision dispense, fluid management, test, inspection, surface treatment and proprietary solutions for medical, electronics and general industrial markets.

5%+ CAGR Long-Term Growth Driven By:

- Medical – Aging population, trends toward non-invasive surgical techniques and medical OEM outsourcing
- Electronics - Broad solutions across the electronics supply chain
- 5G / AI / Big Data / Auto Electronics / Autonomous Vehicles / High-Perf Computing
- Emerging markets
- Deploying NBS Next in our divisions

2020 Revenues

\$978M

2020
Operating
Margin*

20%

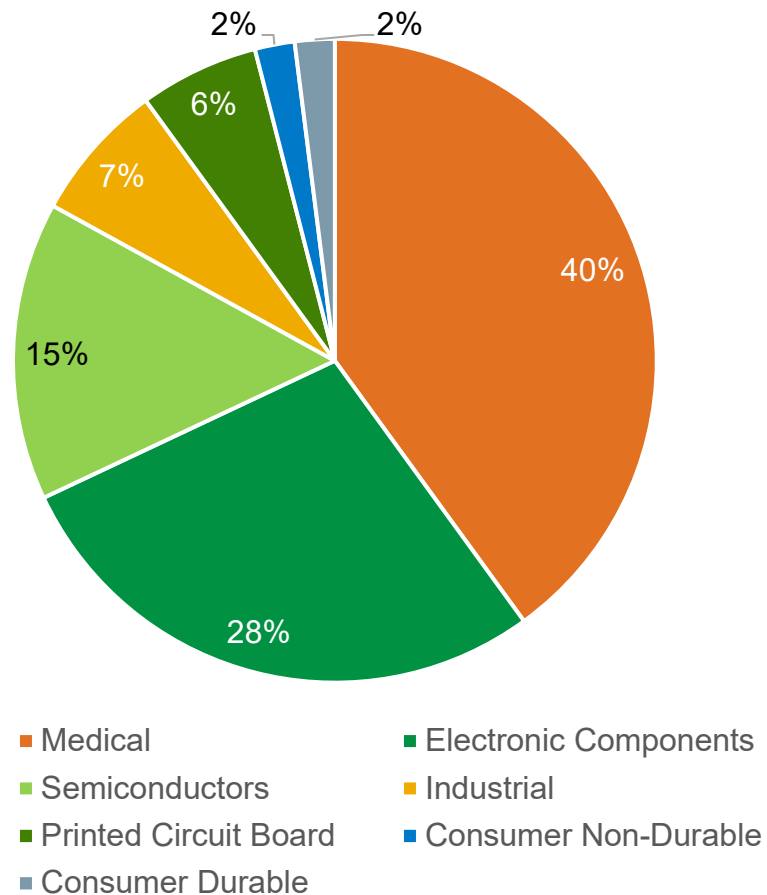
2020
EBITDA

27%



Advanced Technology Solutions

FY2020 Profile – Diverse End Markets



End markets include:

- **Medical:** minimally invasive interventional delivery devices, catheters, medical balloons, fluid connection components, specialty tubing
- **Electronics:** electronic components (i.e., computing; communications/mobile; consumer electronics – gaming, wearables; automotive electronics), semiconductors, printed circuit boards
- **Industrial:** aerospace, construction, defense, energy, industrial machinery
- **Consumer Durable:** general applications (i.e., furniture, lighting)
- **Consumer Non-Durable:** disposable hygiene, food, textiles



Why Invest in Nordson?

Ascend

STRATEGY

A Diversified Precision
Technology Company

REVENUE

\$3B+

EBITDA

30%

Long-term 2025 financial targets

Top tier growth with leading margins and returns



NBS
Next

GROWTH FRAMEWORK

- Sustained organic growth
- Accelerate acquisitions



Owner
Mindset

DIVISION-LED

- Data drives action
- Entrepreneurial, accountable



Winning
Teams

TALENT STRATEGY

- Enhance depth and diversity
- Enrich inclusive culture

Culture & Values



NBS Next

GROWTH FRAMEWORK



Driving profitable growth by selecting and investing disproportionately in the best growth opportunities





Owner Mindset

DIVISION-LED

Entrepreneurial division-led organization:

- **Decisions close to the customer**
- **Autonomy + Accountability**
- **Clear line of sight to deploying NBS Next**



Winning Teams

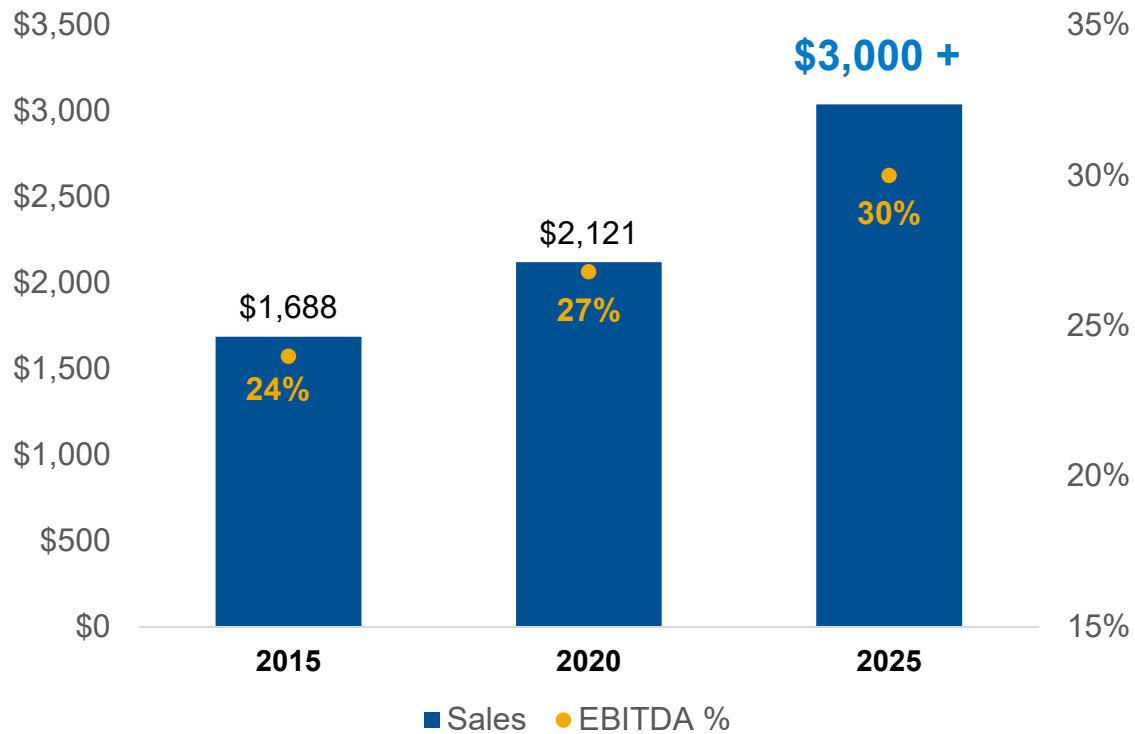
TALENT STRATEGY

A key ingredient to successful execution of the Ascend strategy:

- **Leaders inspiring trust and building followership in the organization**
- **Focus on inclusion and diversity in everything we do**
- **Create an engaging culture that attracts and retains top talent**

Ascend Long-Term Financial Targets

Top-tier growth with attractive margins and returns



	2015 - 2020	2020 - 2025
Sales CAGR	5%	7%+
EBITDA CAGR	7%	10%
Ending ROIC %	13%	13%+

Disciplined M&A Strategy



Strategic Criteria

- Differentiated precision technology based product portfolio
- Serving attractive high-growth end market applications
- Customer-centric business model



Financial Criteria

- Attractive organic growth rate with Nordson-like gross margins
- EBITDA ~20% with clear margin expansion opportunities
- ROIC > cost of capital in 3-5 years

Capital Allocation Priorities

1

SUSTAINED INVESTMENT TO DRIVE ORGANIC GROWTH

- Increased R&D investment
- Sustained investment in direct sales model
- Capital investment for capacity expansion, efficiency improvements and base maintenance

2

DISCIPLINED M&A

- Differentiated precision technologies
- Financially disciplined
- Significant core competencies and competitive advantages to lever for ROIC & value creation

3

RETURN OF CAPITAL

- Strong history with 57-year of paying and increasing the annual dividend
- Offset compensation plan dilution
- Alternative measures will be routinely assessed to manage priorities

Investment Thesis

1. **Strong growth drivers** enabling Nordson's future profitable growth performance
2. **Proprietary precision technologies** remain a competitive advantage
3. **NBS Next** is the framework driving our profitable growth
4. **Ascend Strategy** will deliver top tier financial performance
 - Sustained organic growth
 - Accelerate acquisitive growth
 - Clear financial measures of success



Q2 F21 Financial Results

2Q 2021 Highlights

Well positioned to benefit from accelerated economic recovery

- 1 Record sales and operating profit growth
- 2 Growth returning in medical, electronics and industrial end markets
- 3 Recovery accelerating more quickly than anticipated

Total Company – 2Q 2021



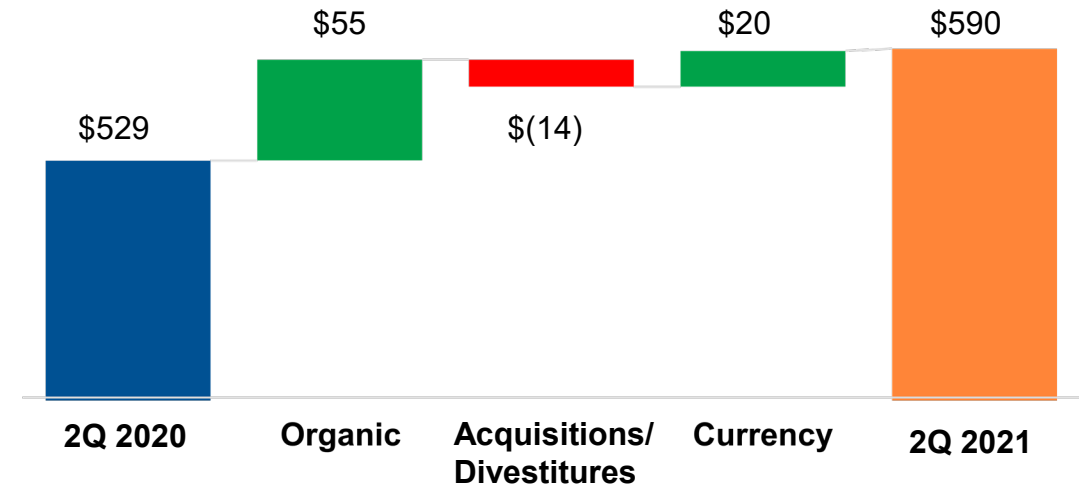
Record Quarterly Sales Results

- Reported sales increased 11%; excluding divestiture, sales increase would have been 15%
- Organic growth increased 10%
- Robust growth in electronics and consumer non-durable product lines
- Strengthening medical and industrial end markets

Record Operating Profit

- Operating profit of \$166 million, 28% of sales
- Incremental EBITDA* margins of 65%
- Favorable sales mix, volume leverage and benefits from cost controls
- EBITDA* was 33% of sales

2Q 2021 Sales Bridge



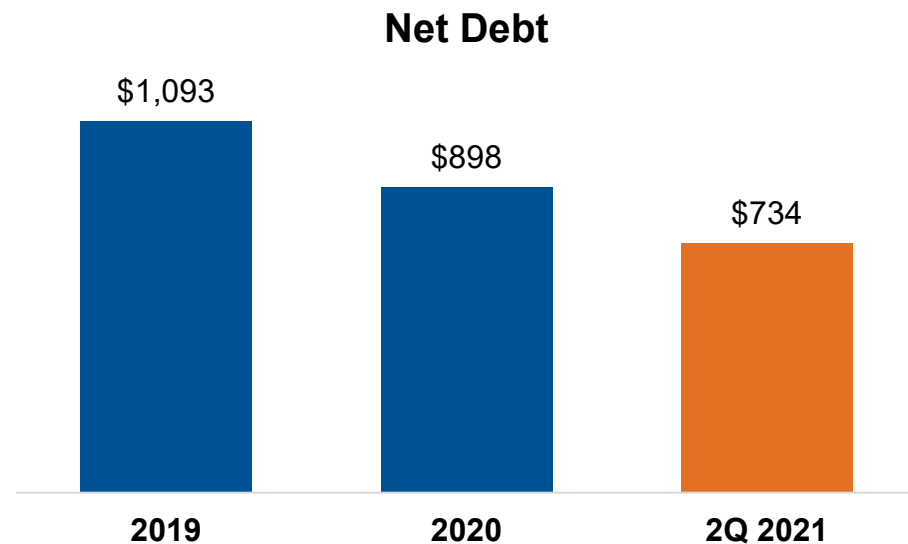
	2Q 2020	2Q 2021	Δ
Sales	\$529.5	\$589.5	11%
Operating Profit	\$125.0	\$166.4	33%
EBITDA*	\$152.4	\$191.7	26%
EPS GAAP	\$1.58	\$2.12	34%

*Non-GAAP number - See appendix for reconciliation. In millions except for per share data.

Strong Cash Flow with Sufficient Liquidity to Invest in Strategic Initiatives

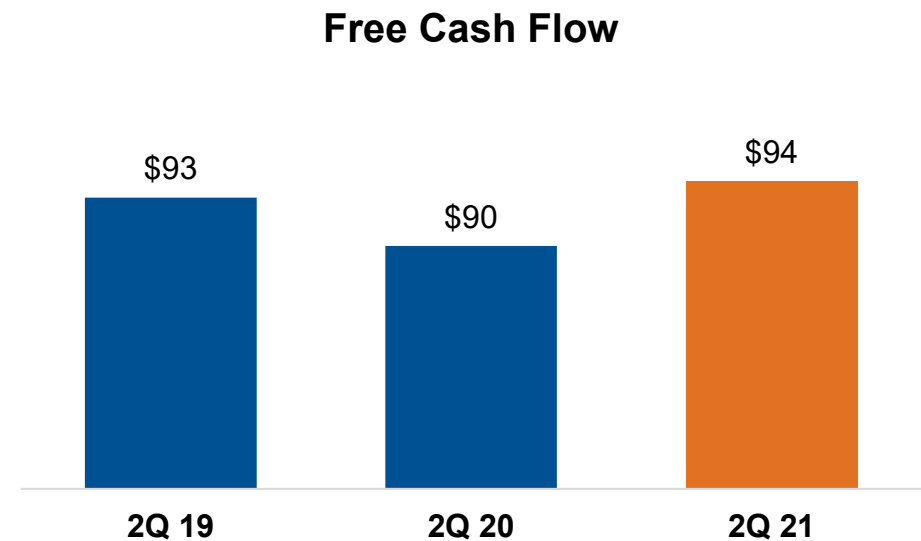
Net Debt

- Cash totaled \$133 million
- Net debt was \$734 million
- 1.2X leverage ratio based on trailing 12-month EBITDA



Free Cash Flow

- 75% conversion on net income
- \$50 million pension contribution in the second quarter
- Improved working capital efficiency

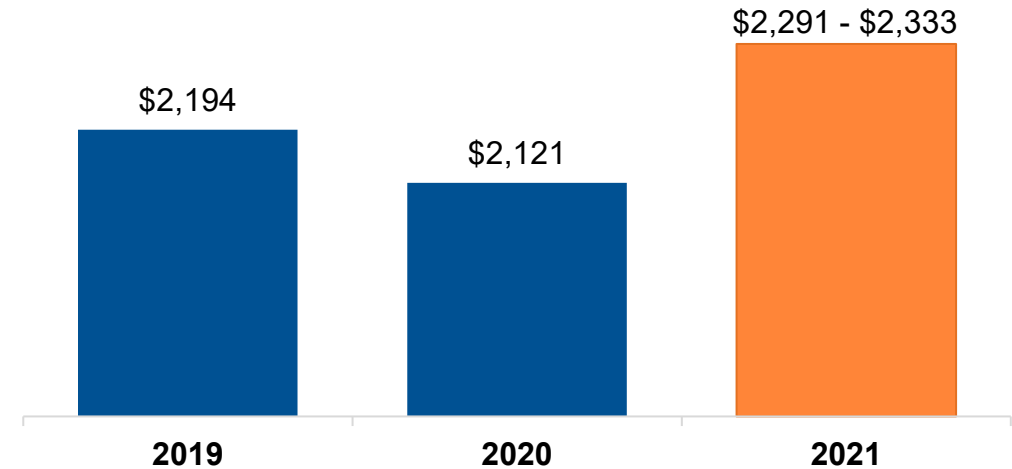


Raising Guidance for Fiscal 2021

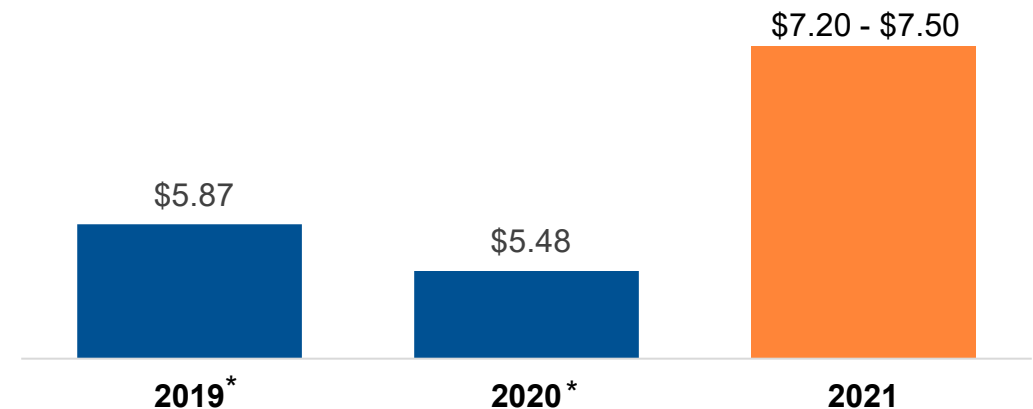
Updated Fiscal 2021 Guidance

- Sales growth of ~8% to 10%
- Earnings per diluted share in the range of \$7.20 to \$7.50; growth of ~31% to 37%
- Strong backlog and strengthening order entry support increased sales and earnings guidance

2021 Sales Guidance



2021 EPS Guidance

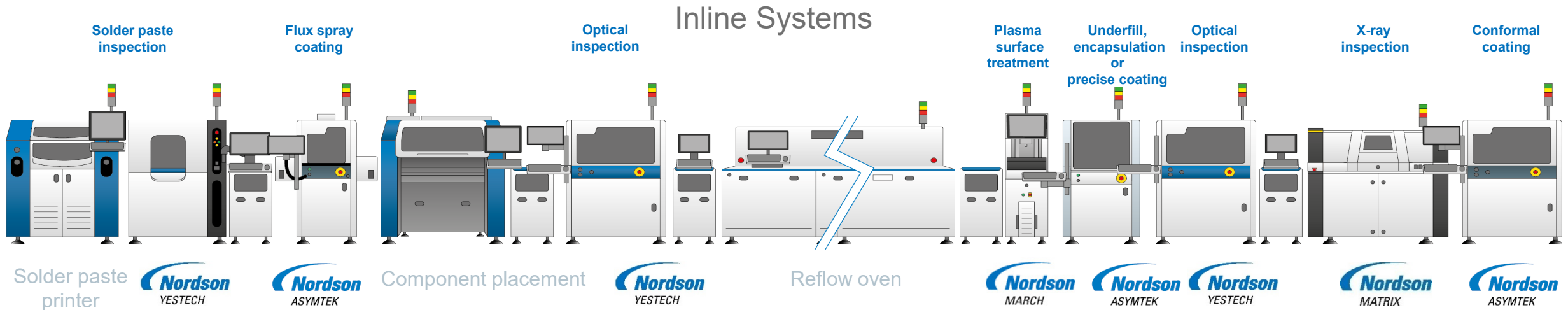


Appendix 1:

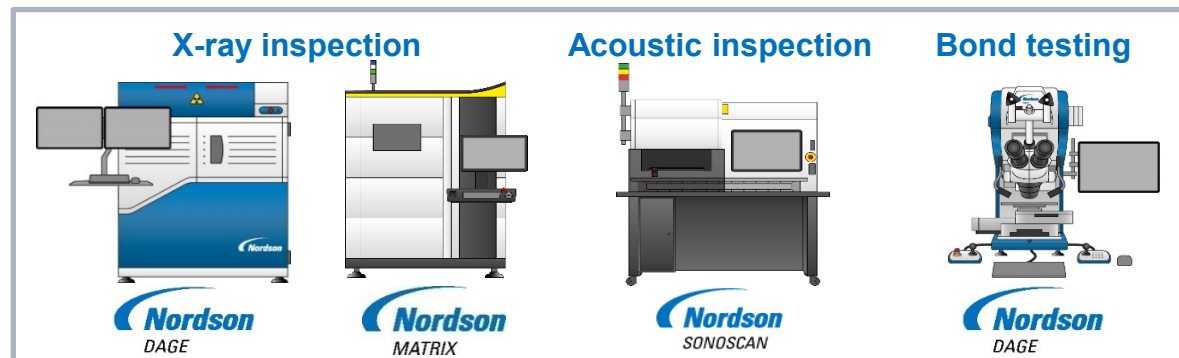
Product Innovation

Our Electronics Industry Position

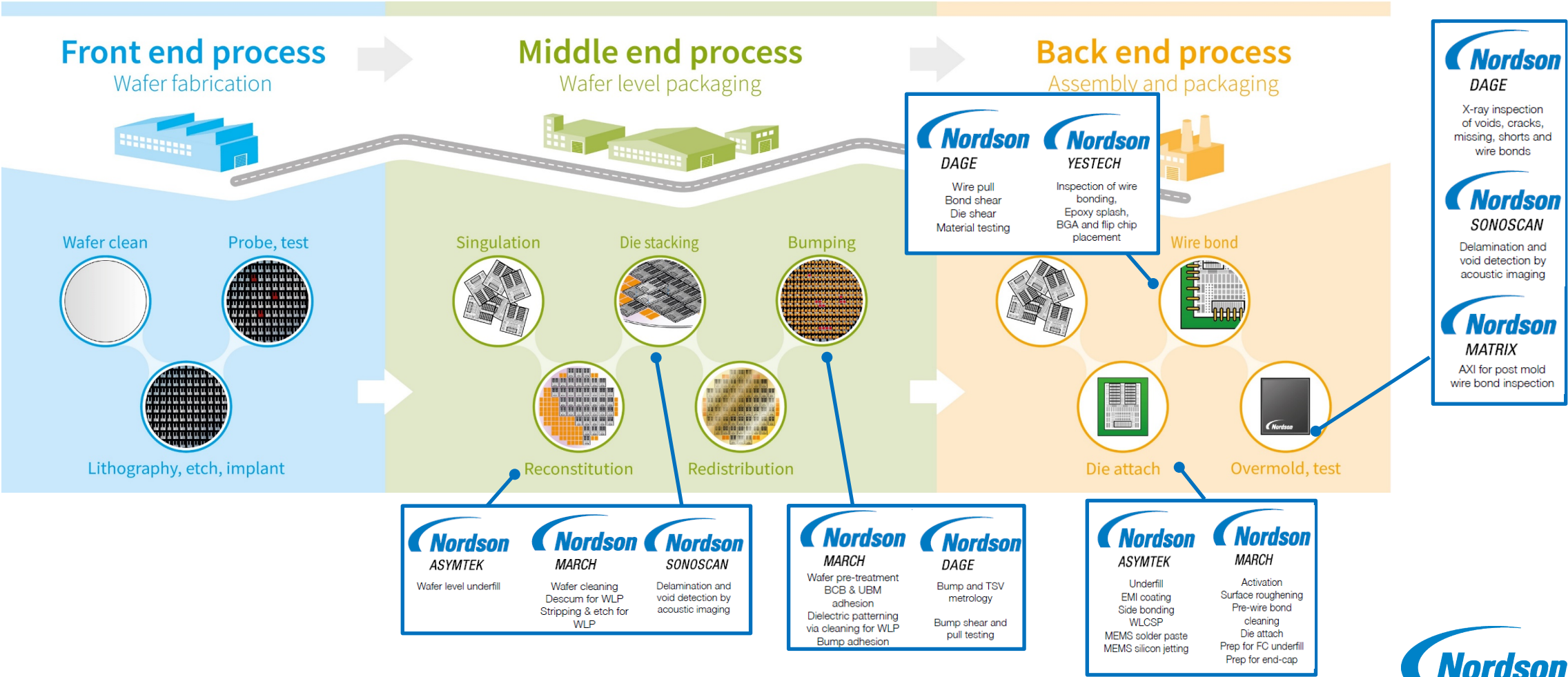
Surface Mount Manufacturing



QA Lab / Island of Automation



Our Role in the Semiconductor Process



Advanced Technology – Fluid Management



Precision Low-Volume Dispensing

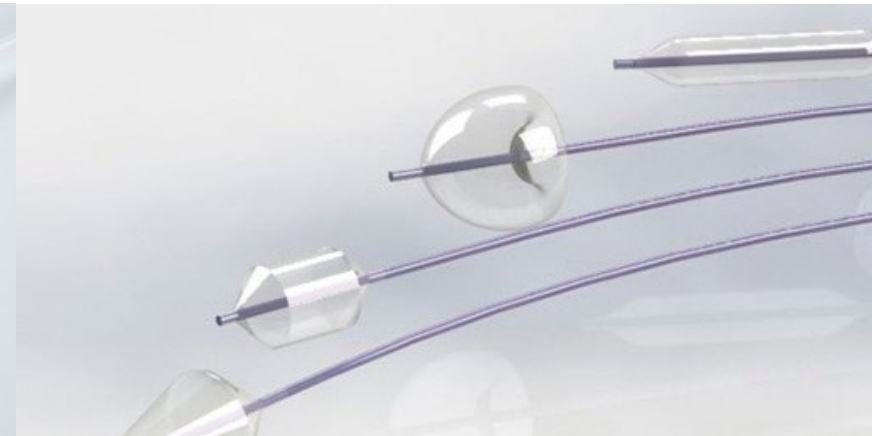
From benchtop dispensers to industry-best jetting valves and automated dispensing robots, Nordson EFD systems deliver accurate, repeatable deposits of glues, greases, and other industrial fluids in precise, low-volume applications.



Optimum® Syringe Barrels and Tips

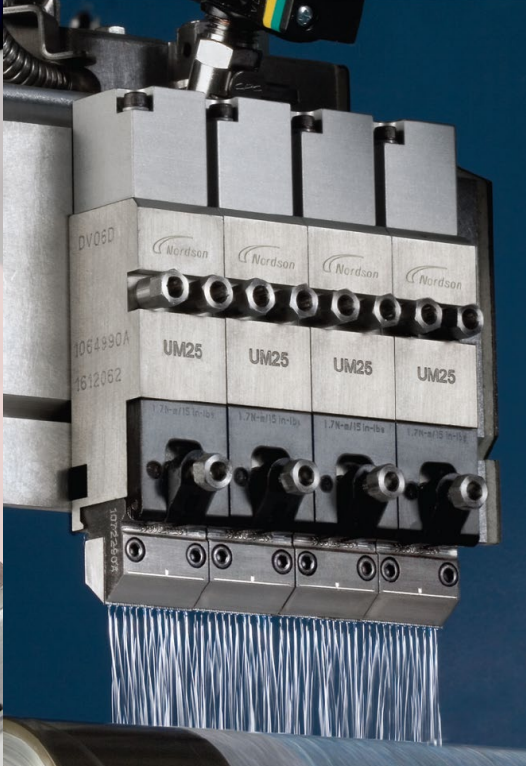
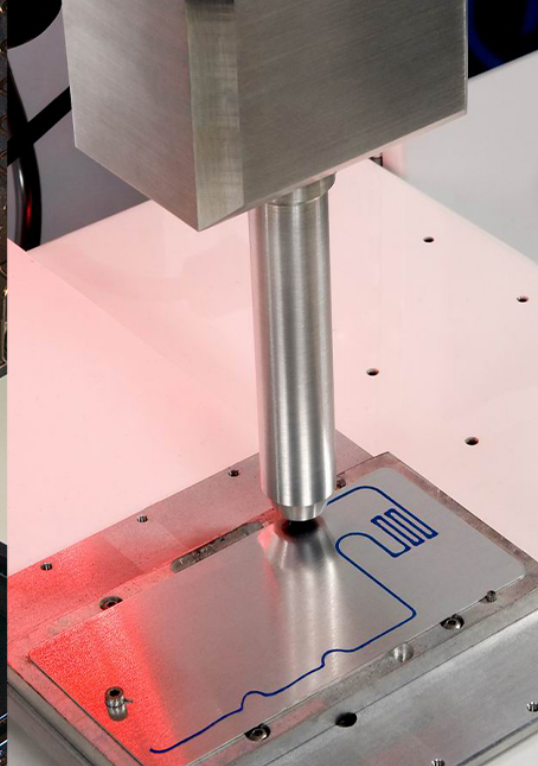
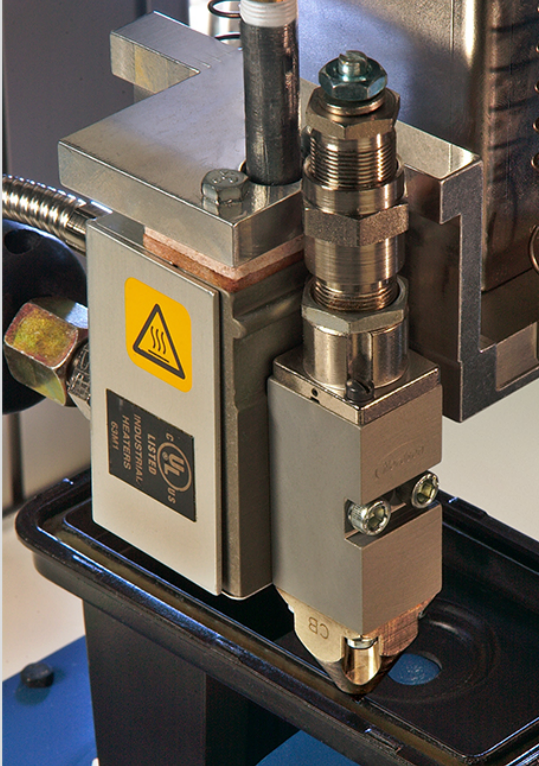
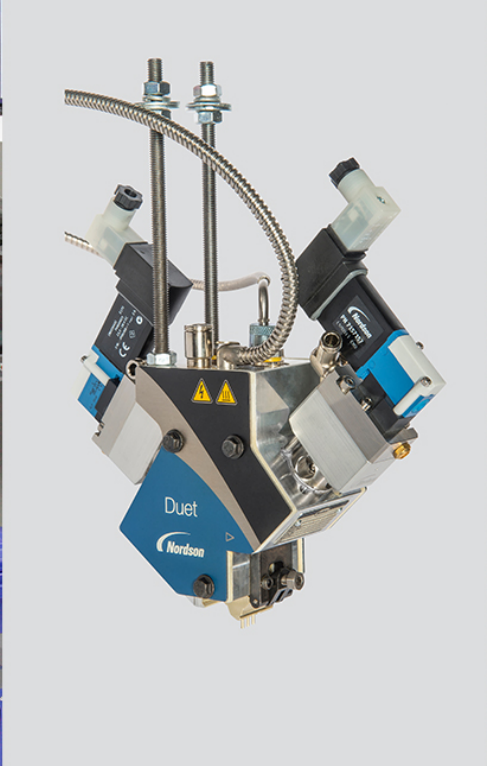
Optimum® components are designed as a complete system to help companies improve yields and reduce costs.

Dispense tips deliver a clean, smooth flow path, free of flash and burrs. In 200+ sizes and styles, tips are lot-tracked for process control and traceability.



Life Sciences
Fluid Management Components

From specialty tubing, catheters, medical balloons, quick-connect couplings and couplers, Nordson is an expert in the design, development and manufacture of complex medical devices and component technologies.



Core Adhesives Innovative Technology

Auto-fill Tankless Technology

Adhesive fill systems monitor and maintain optimum adhesive levels

Variable Dispense Technology

Delivering different add-on rates with one applicator

Foaming Technology

Maintains bond strength while reducing volume of adhesive required

Jetting Technology

Dispenses adhesive using non-contact jetting into channels as small as 0.3mm or 300 micron per second

Precision dispense technology

Increases production efficiency for nonwovens manufacturing process

Appendix 2:
Financial Exhibits

Reconciliation of Non-GAAP Measures

Adjusted Operating Profit and EBITDA (Dollars in thousands)



	Three months ended		Six months ended						
	April 30, 2021	April 30, 2020	April 30, 2021	April 30, 2020					
SALES BY SEGMENT									
Industrial precision solutions	\$ 298,775	\$ 282,274	\$ 587,191	\$ 546,073					
Advanced technology solutions	290,763	247,204	528,913	478,321					
Total sales	<u>\$ 589,538</u>	<u>\$ 529,478</u>	<u>\$1,116,104</u>	<u>\$1,024,394</u>					
OPERATING PROFIT									
Industrial precision solutions	\$ 104,283	\$ 76,454	\$ 187,686	\$ 132,858					
Advanced technology solutions	76,585	58,689	123,786	90,976					
Corporate	(14,477)	(10,114)	(36,056)	(23,712)					
Total operating profit	<u>\$ 166,391</u>	<u>\$ 125,029</u>	<u>\$ 275,416</u>	<u>\$ 200,122</u>					
OPERATING PROFIT ADJUSTMENTS⁽¹⁾									
Industrial precision solutions	\$ —	\$ 364	\$ —	\$ 664					
Advanced technology solutions	—	—	—	2,970					
Corporate	—	—	—	—					
Total adjustments	<u>\$ —</u>	<u>\$ 364</u>	<u>\$ —</u>	<u>\$ 3,634</u>					
ADJUSTED OPERATING PROFIT (NON-GAAP)⁽²⁾									
		% of Sales		% of Sales			% of Sales		% of Sales
Industrial precision solutions	\$ 104,283	35%	\$ 76,818	27%	\$ 187,686	32%	\$ 133,522	24%	
Advanced technology solutions	76,585	26%	58,689	24%	123,786	23%	93,946	20%	
Corporate	(14,477)		(10,114)		(36,056)		(23,712)		
Total operating profit - adjusted	<u>\$ 166,391</u>	28%	<u>\$ 125,393</u>	24%	<u>\$ 275,416</u>	25%	<u>\$ 203,756</u>	20%	
DEPRECIATION & AMORTIZATION									
Industrial precision solutions	\$ 6,468	\$ 9,296	\$ 13,451	\$ 19,125					
Advanced technology solutions	16,421	15,245	32,965	31,565					
Corporate	2,427	2,505	4,920	4,974					
Total depreciation & amortization	<u>\$ 25,316</u>	<u>\$ 27,046</u>	<u>\$ 51,336</u>	<u>\$ 55,664</u>					
EBITDA (NON-GAAP)⁽²⁾									
Industrial precision solutions	\$ 110,751	37%	\$ 86,114	31%	\$ 201,137	34%	\$ 152,647	28%	
Advanced technology solutions	93,006	32%	73,934	30%	156,751	30%	125,511	26%	
Corporate	(12,050)		(7,609)		(31,136)		(18,738)		
Total EBITDA	<u>\$ 191,707</u>	33%	<u>\$ 152,439</u>	29%	<u>\$ 326,752</u>	29%	<u>\$ 259,420</u>	25%	

⁽¹⁾ Represents costs and adjustments related to cost structure simplification actions.

⁽²⁾ Adjusted operating profit and EBITDA are non-GAAP measures used by management to evaluate the Company's ongoing operations. Adjusted operating profit is defined as operating profit plus certain adjustments, such as cost structure simplification actions. EBITDA is defined as adjusted operating profit plus depreciation and amortization.

Reconciliation of Non-GAAP Measures

Profitability (Dollars in thousands)



	Three Months Ended		Six Months Ended	
	April 30, 2021	April 30, 2020	April 30, 2021	April 30, 2020
<u>GAAP AS REPORTED</u>				
Operating profit	\$ 166,391	\$ 125,029	\$ 275,416	\$ 200,122
Other / interest expense - net	(10,533)	(8,444)	(21,746)	(20,442)
Net income	124,144	92,079	201,726	144,083
Diluted earnings per share	\$ 2.12	\$ 1.58	\$ 3.44	\$ 2.47
Shares outstanding - diluted	58,652	58,260	58,703	58,392
<u>OPERATING PROFIT ADJUSTMENTS</u>				
Severance and other	\$ —	\$ 364	—	3,634
Adjustments net of tax	\$ —	\$ 287	\$ —	\$ 2,860
Other discrete tax items	\$ —	\$ (138)	\$ —	\$ (2,675)
EPS effect of adjustments and other discrete tax items	\$ —	\$ —	\$ —	\$ —
<u>NON-GAAP MEASURES-ADJUSTED PROFITABILITY</u>				
Operating profit ⁽¹⁾	\$ 166,391	\$ 125,393	\$ 275,416	\$ 203,756
Operating profit % of sales	28.2 %	23.7 %	24.7 %	19.9 %
Net income ⁽²⁾	\$ 124,144	\$ 92,228	\$ 201,726	\$ 144,268
Diluted earnings per share ⁽³⁾	\$ 2.12	\$ 1.58	\$ 3.44	\$ 2.47

⁽¹⁾ Adjusted operating profit is defined as operating profit plus certain adjustments such as cost structure simplification actions. Adjusted operating profit as a percentage of sales is defined as adjusted operating profit divided by sales.

⁽²⁾ Adjusted net income is defined as net income plus tax effected adjustments and other discrete tax items.

⁽³⁾ Adjusted earnings per share is defined as GAAP EPS adjusted for tax effected adjustments and other discrete tax items.

Management uses these non-GAAP measures internally to make strategic decisions, forecast future results, and evaluate the Company's current performance. Given management's use of these non-GAAP measures, the Company believes these measures are important to investors in understanding the Company's current and future operating results as seen through the eyes of management. In addition, management believes these non-GAAP measures are useful to investors in enabling them to better assess changes in the Company's core business across different time periods. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures to other companies' non-GAAP financial measures, even if they have similar names. Amounts may not add due to rounding.

Non-GAAP Definitions

This presentation contains references to non-GAAP financial information. Although these are non-GAAP measures, we believe that they are useful to an investor in evaluating the company performance for the period presented. These non-GAAP definitions include:

- Adjusted operating profit is defined as operating profit plus certain adjustments, such as assets held for sale impairment charge, cost structure simplification actions, and non-cash inventory charges related to acquisitions.
- EBITDA is defined as adjusted operating profit plus depreciation and amortization.
- Return on Invested Capital is defined as adjusted operating profit after tax as a percentage of the sum of average debt (net of cash) plus average shareholders' equity.

Amounts may be rounded.

See the company's earnings release for the fiscal year ended October 31, 2020, for a reconciliation of the non-GAAP measures Adjusted Operating Profit and EBITDA.