



INVESTOR PRESENTATION



February 22, 2022 | NASDAQ: NDSN

On November 1, 2021, Nordson closed its acquisition of NDC Technologies, a test and inspection business focused on measurement and controls solutions serving consumer non-durable, film extrusion & converting, cable & tubing and energy storage end markets.

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 that leverages a scalable growth framework to deliver top tier growth with leading margins and returns.

Company Founded

1954

*Sales

\$2.4B

*EBITDA

\$719M

Employees

6,800+

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

6%

Sales Growth

55%

Gross Margins

28%

EBITDA Margins

18%

ROIC

1,804

Global Patents
Held

58 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



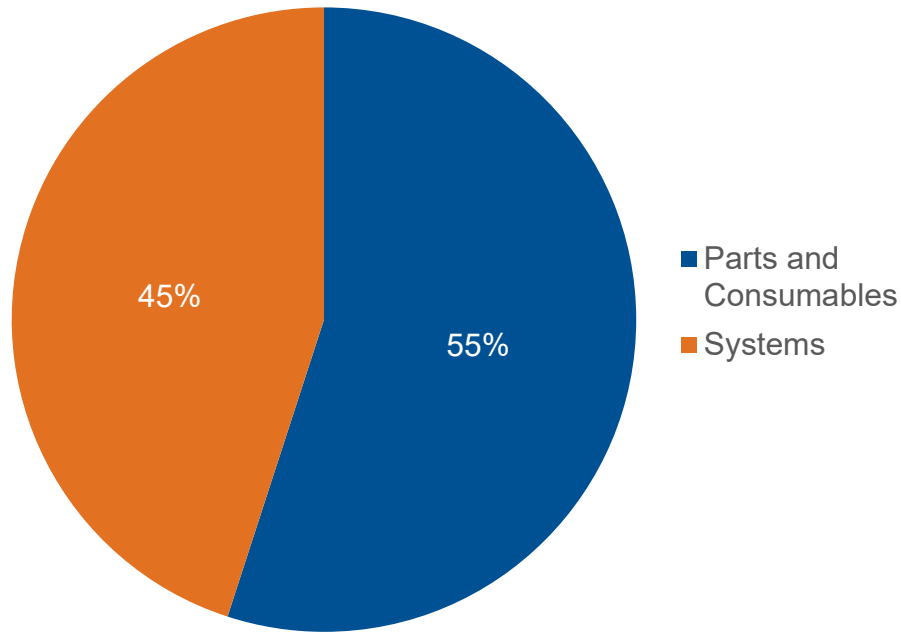
Environmental Stewardship

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

Diversified Sources of Sales

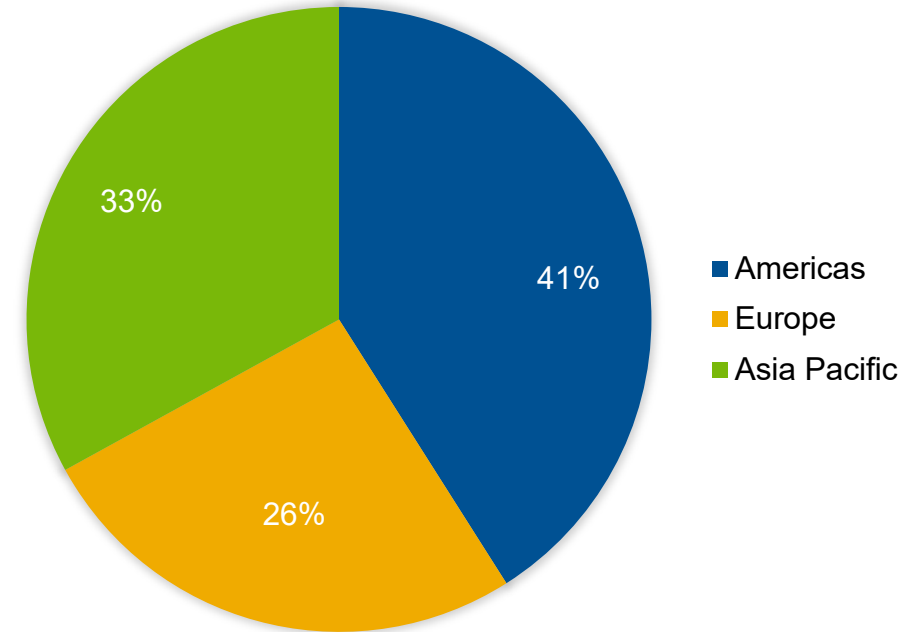
FY2021 Profile - \$2.4 Billion

Product Type



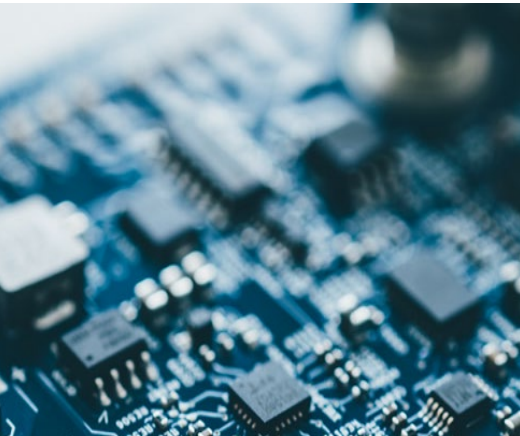
High percentage of recurring sales from parts and consumables.

Geographies



Nearly 67% of sales outside USA. Direct presence in over 35 countries.

Diversified End Markets



Electronics
29% of revenue

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



Consumer Non-Durables
24% of revenue

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



Medical
21% 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

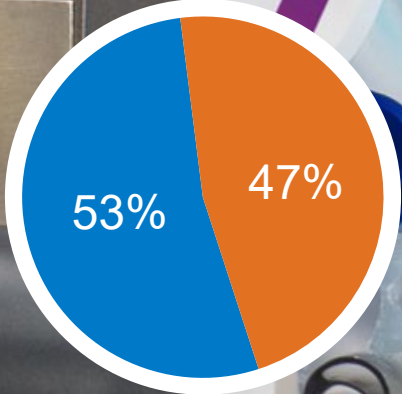
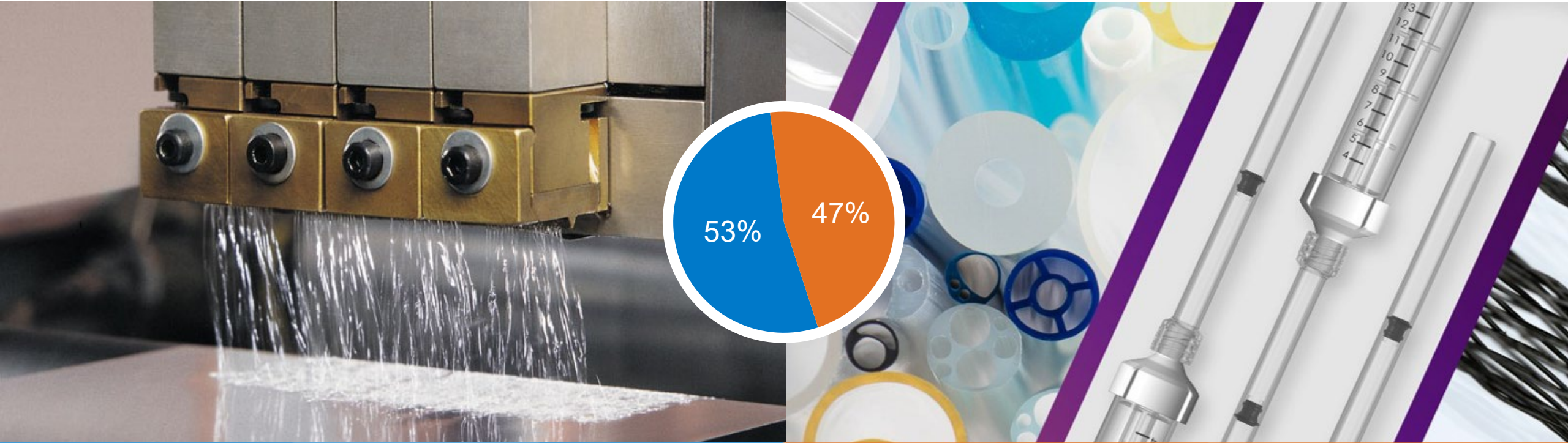
- Farm, construction and industrial machinery
- Rigid container
- Aerospace
- Chemical
- Defense
- Energy



Remaining Markets
12% 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.

2021 Revenues

\$1,247M

2021
Operating
Margin*

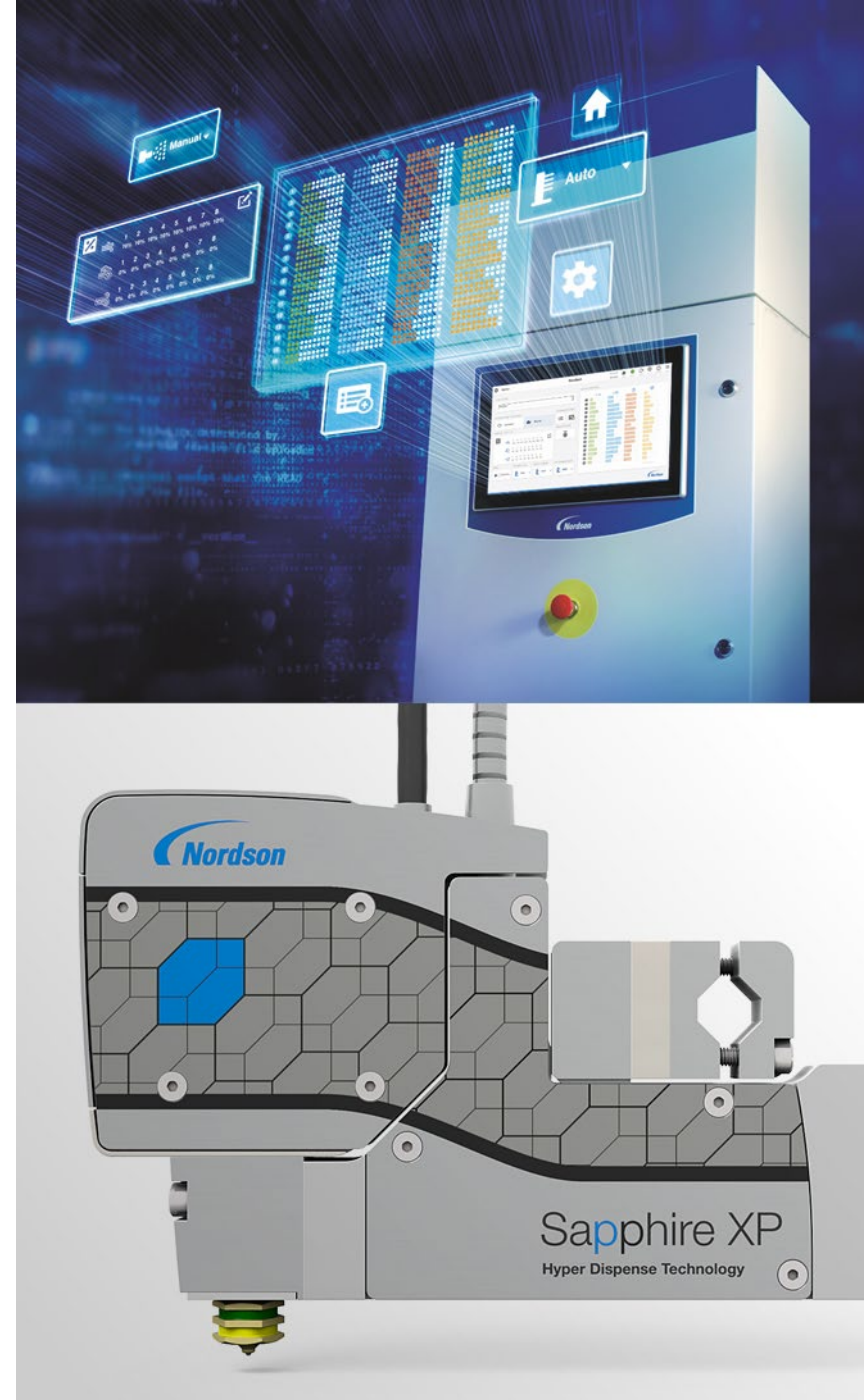
33%

2021
EBITDA

35%

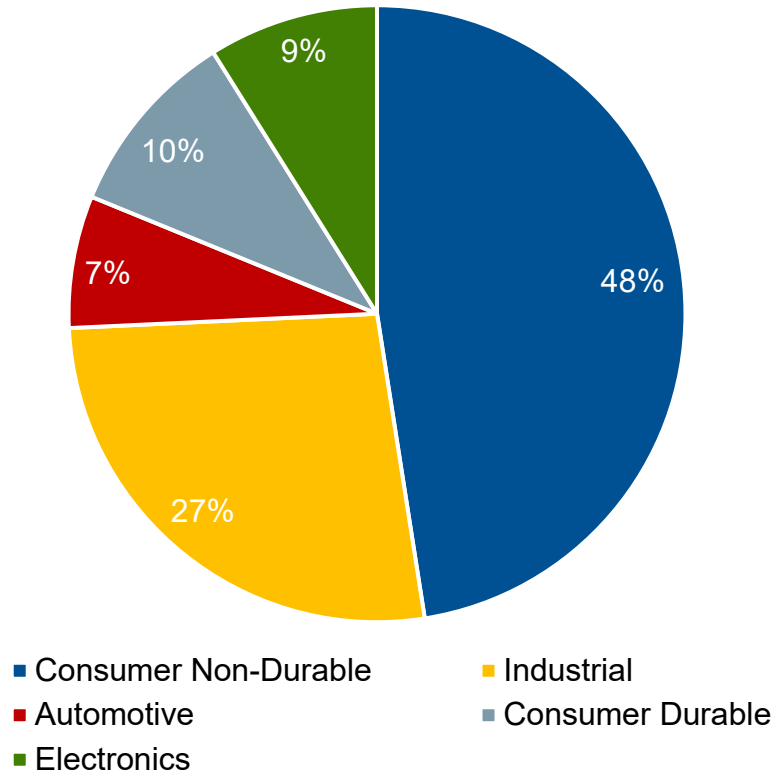
3%+ CAGR Long-Term Growth Driven By:

- 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



Industrial Precision Solutions

FY2021 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

2021 Revenues

\$1,115M

2021
Operating
Margin*

24%

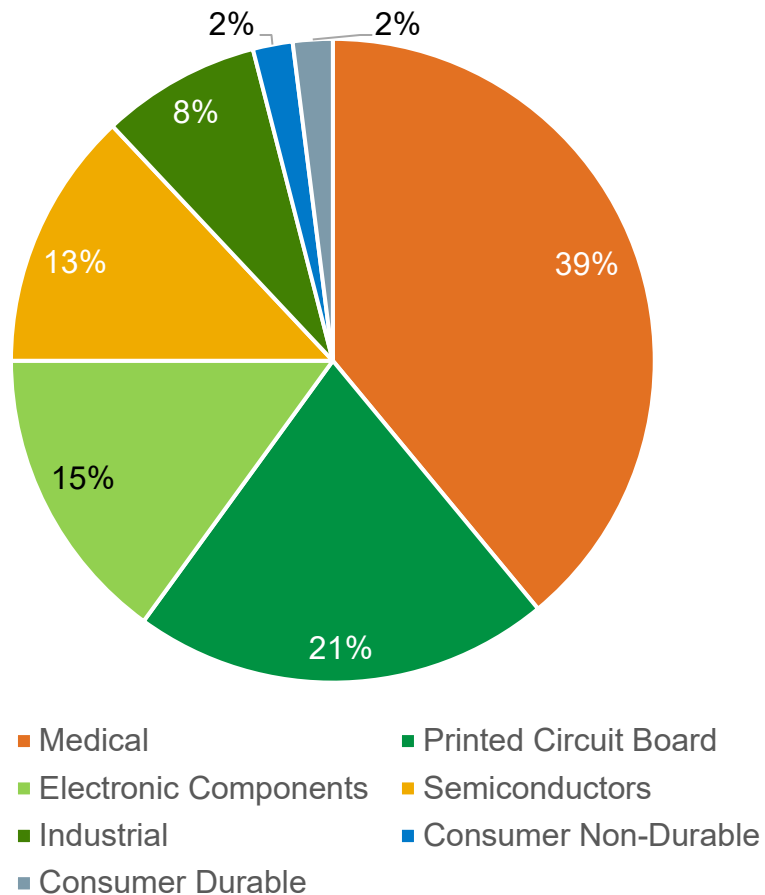
2021
EBITDA

30%



Advanced Technology Solutions

FY2021 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

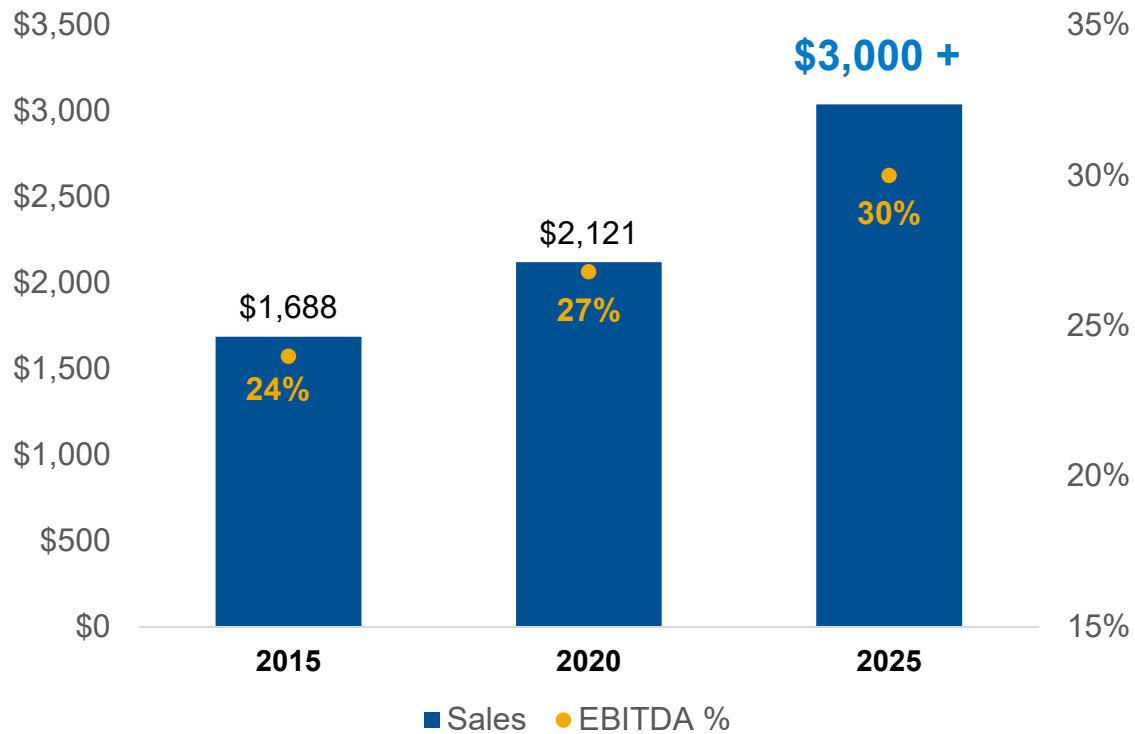
TALENT STRATEGY

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

NDC Technologies Acquisition Highlights



Differentiated technology expands test and inspection capabilities

- Adds proprietary technology with Nordson-like gross margins
- Offers adjacent technologies with differentiated capabilities
- Aligns with Nordson's customer-centric business model



Opportunity to leverage NBS Next and invest in growth opportunities

- Apply NBS Next growth framework to identify greatest opportunities for profitable growth
- Invest in and reinvigorate growth engine

Nordson
Ascend
STRATEGY

Progress on Ascend Strategy to achieve top-tier growth with leading margins and returns

- Adds \$90 million worth of annual revenue
- Growth and synergies will expand acquired EBITDA margin
- Deal closed November 1, 2021

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



Q1 F22

Financial

Results

Highlights

*Continued demand, strong execution
and NBS Next driving results*

- As expected, strength from 2H 21 flowed into 1Q 22
- Double-digit sales growth across most end markets
- Managing constraints related to supply chain and labor shortage
- Continued deployment of NBS Next growth framework

Total Company – 1Q 2022



Sales

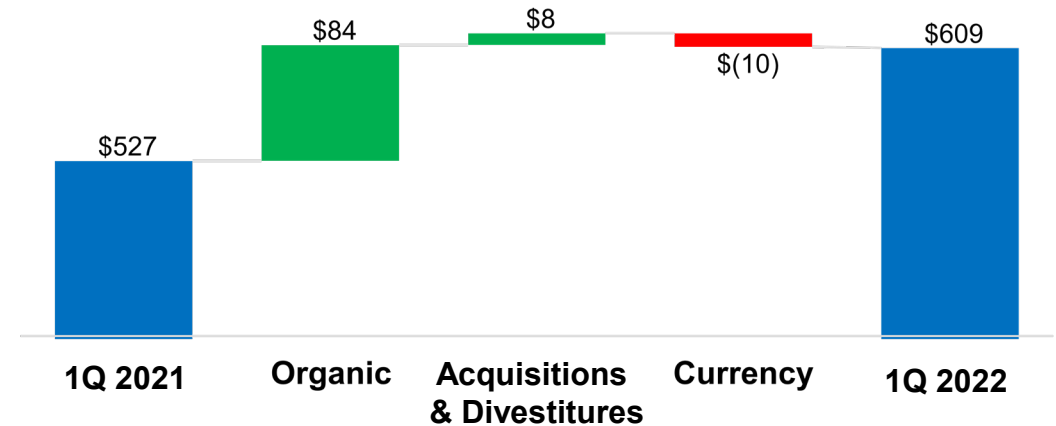
- Reported sales increased 16%
- Organic growth increased 16%; acquisitive growth of 4% offset by headwinds from currency and divestiture
- Double-digit growth in most product lines, particularly in electronics, industrial and medical end markets

Operating Profit

- Operating profit of \$157 million, 26% of sales
- Incremental operating profit margins of 59%
- EBITDA margin was 30% of sales
- 57% earnings growth

25 Numbers reflect adjusted operating profit – see reconciliation in appendix

1Q 2022 Sales Bridge



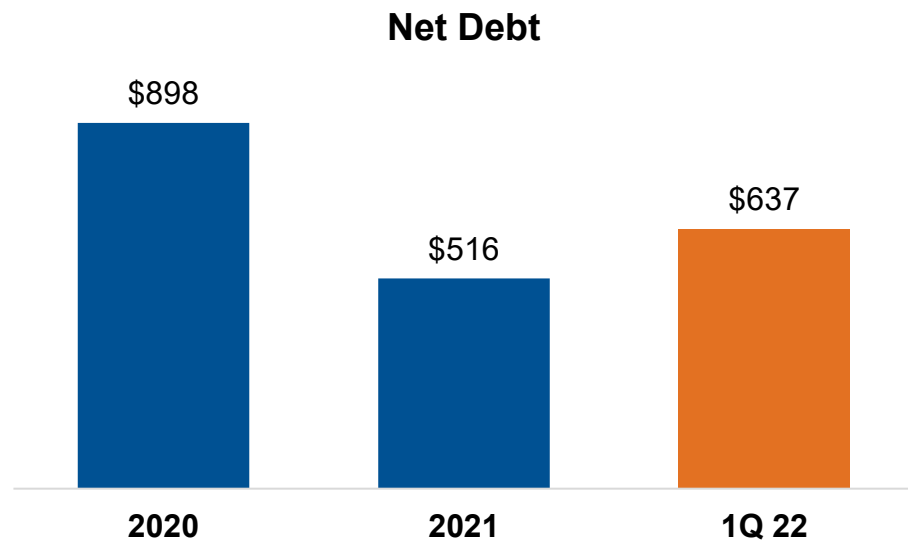
	1Q 2021	1Q 2022	Δ
Sales	\$526.6	\$609.2	16%
Operating Profit*	\$109.0	\$157.4	44%
EBITDA*	\$135.0	\$182.8	35%
EPS GAAP	\$1.32	\$2.05	55%
EPS Adjusted*	\$1.32	\$2.07	57%

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

Strong Cash Flow with Sufficient Liquidity to Invest in Strategic Initiatives

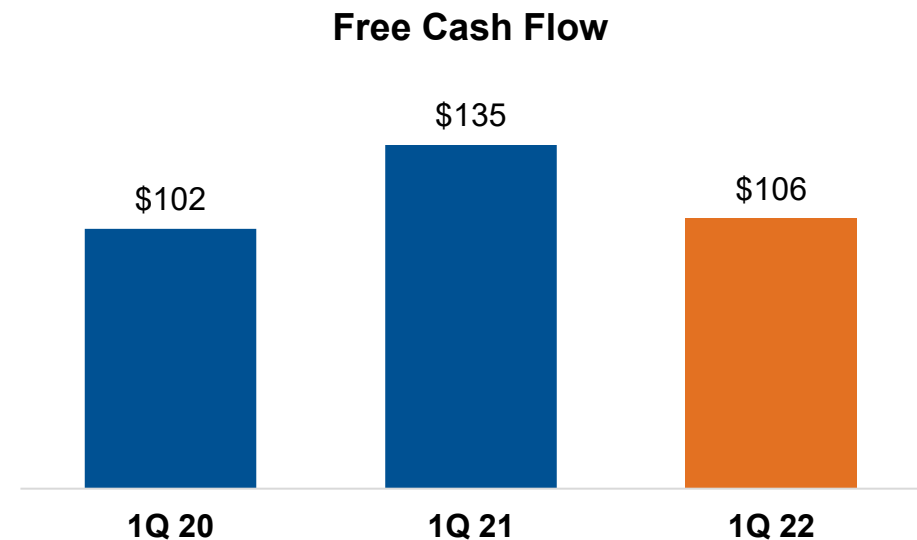
Net Debt

- Cash totaled \$171 million
- 0.8 net debt leverage ratio based on trailing 12-month EBITDA



Free Cash Flow

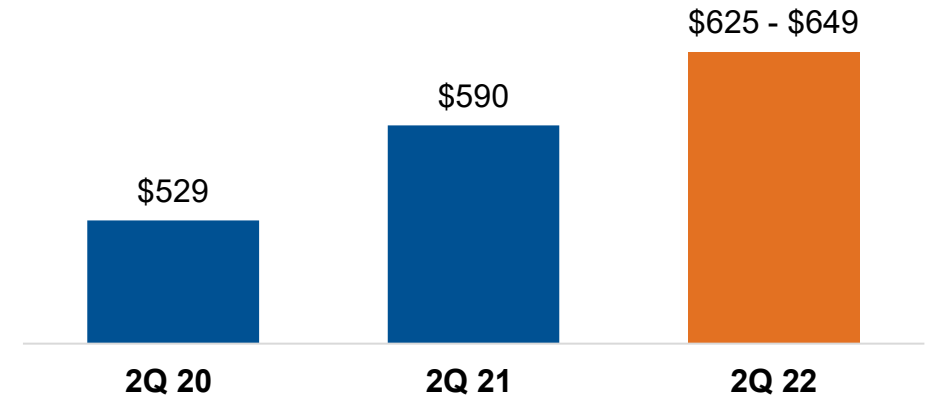
- 88% of adjusted net income
- Q1 2022 investments in inventory to address supply chain challenges



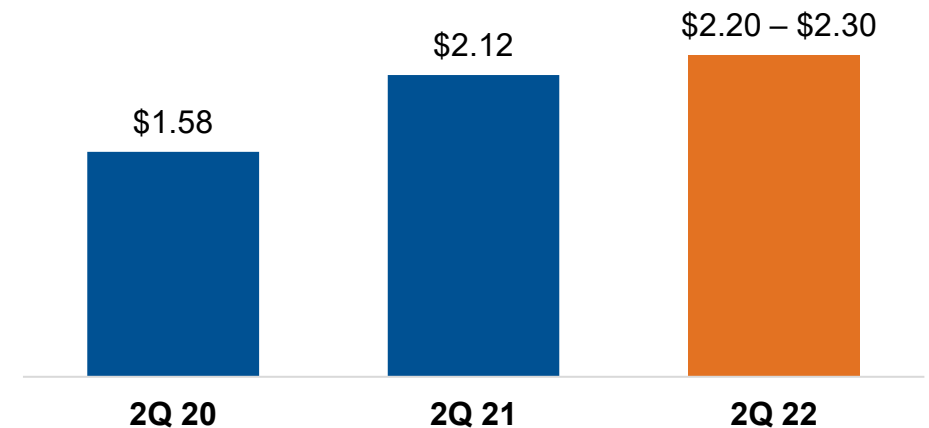
Steady Growth

- 2Q 22 sales growth of ~6-10%
- 2Q 22 adjusted earnings per share \$2.20 - \$2.30
- Order entry remains strong. Favorable book-to-bill ratio growing backlog to over \$900 million.
- Capacity constraints related to supply chain and labor availability

2Q 2022 Sales Guidance



2Q 2022 Adjusted EPS Guidance



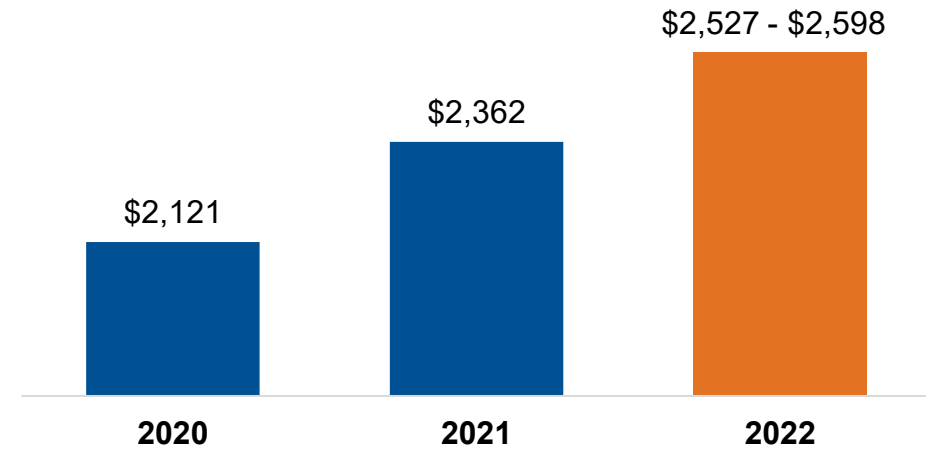
Full-Year Fiscal 2022 Guidance



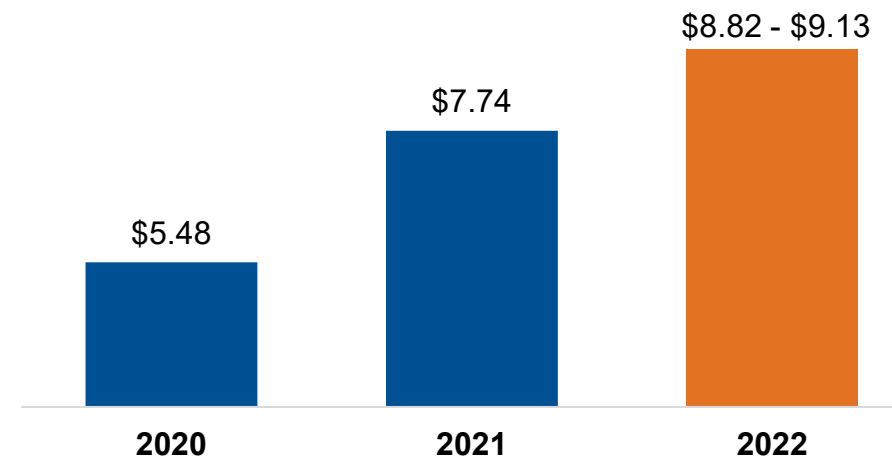
Full-Year Growth from Record 2021

- Updating guidance to high-end of previous range
- Capacity constraints related to supply chain and labor availability
- Fiscal 2022 sales growth of ~7-10%
- Adjusted earnings growth of ~14-18%

Full-Year Sales Guidance



Full-Year Adjusted EPS Guidance

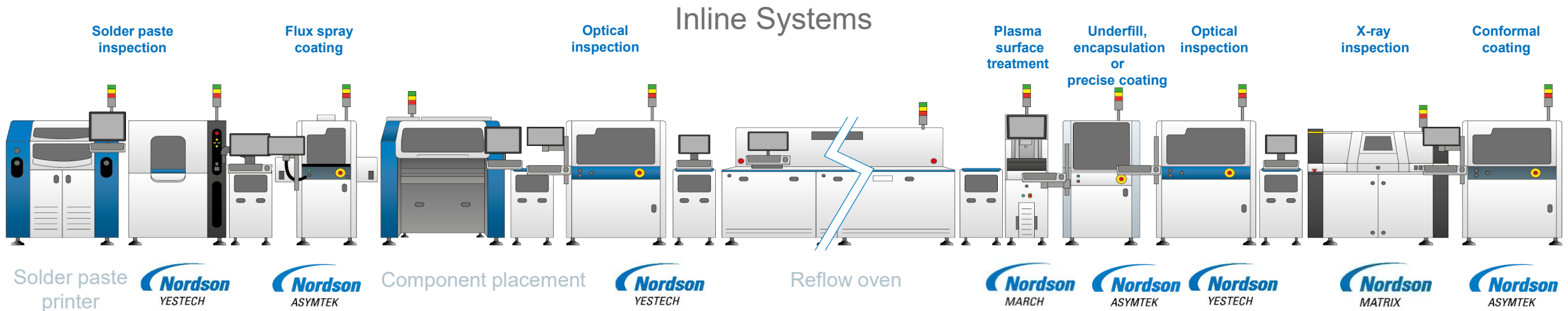


Appendix 1:

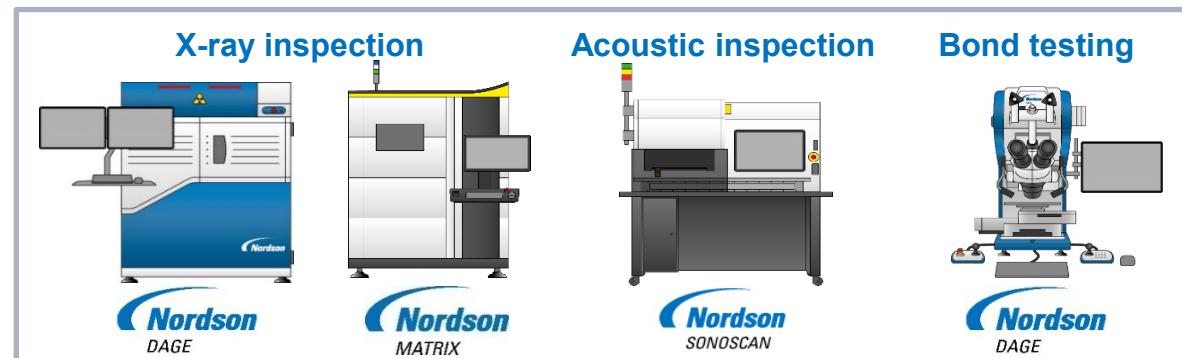
Product Innovation

Our Electronics Industry Position

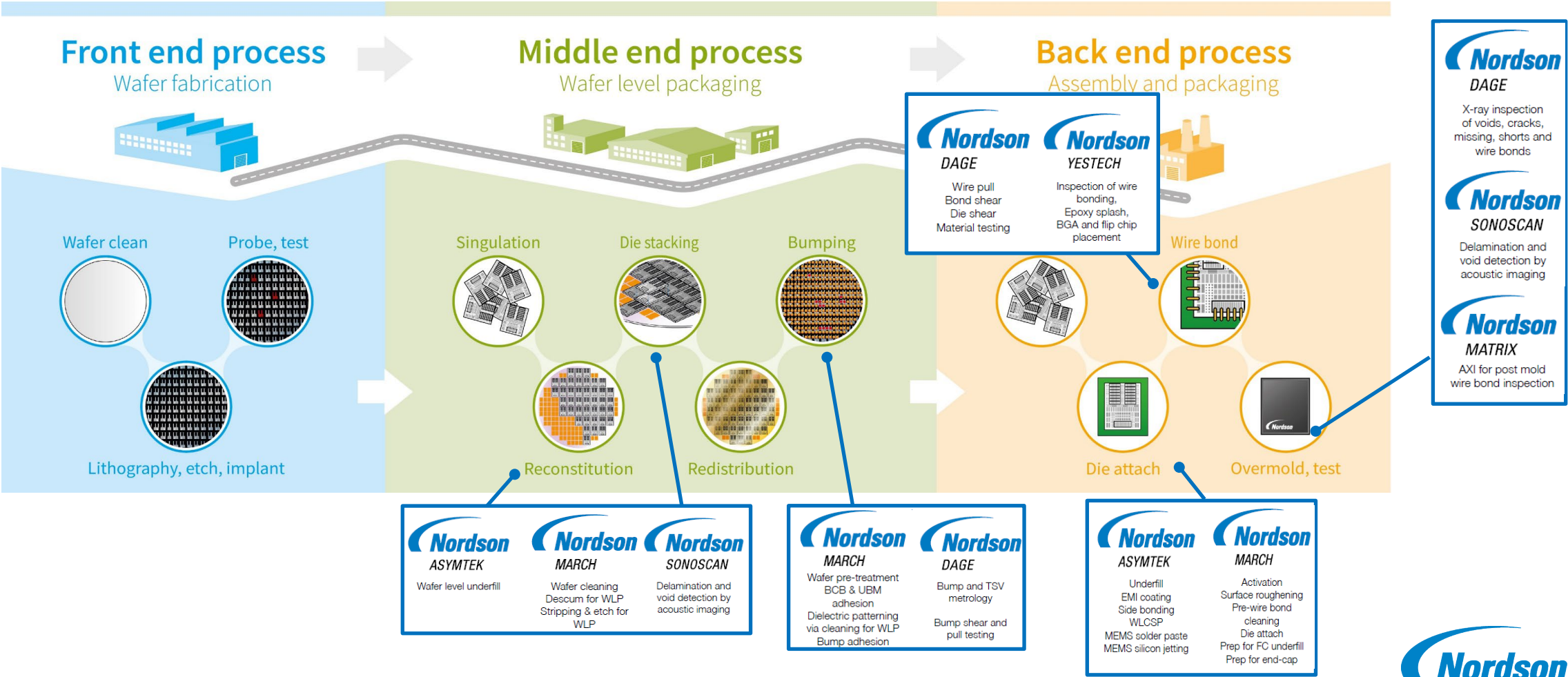
Surface Mount Manufacturing



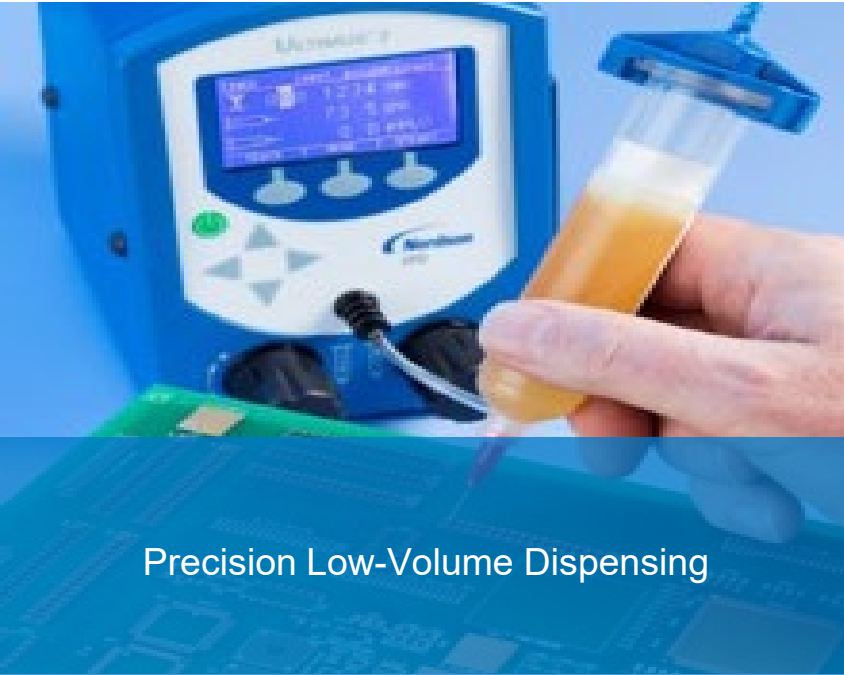
QA Lab / Island of Automation



Our Role in the Semiconductor Process



Advanced Technology – Fluid Management



Precision Low-Volume Dispensing

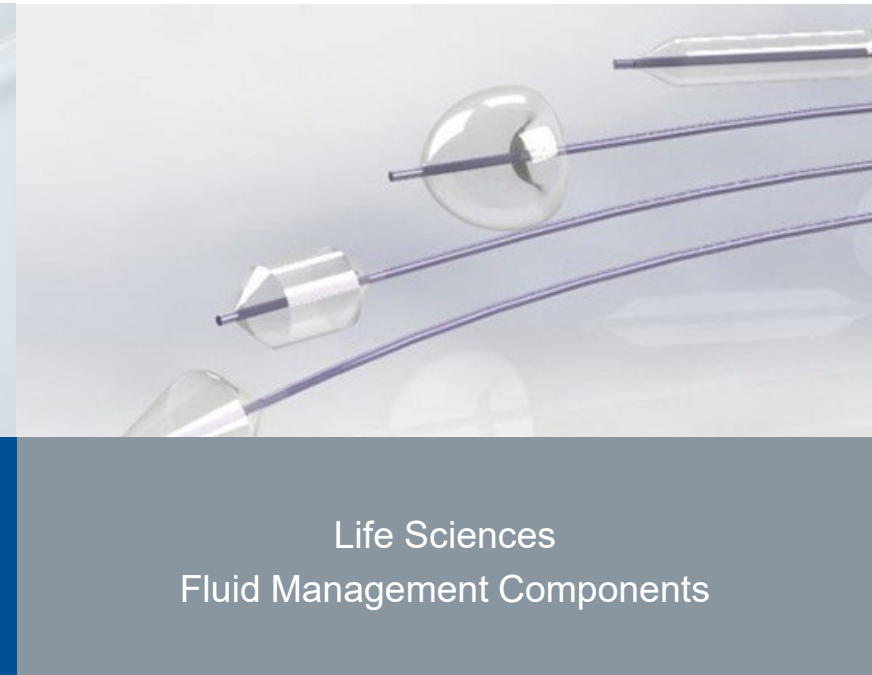
From benchtop dispensers to industry-best jetting valves and automated dispensing robots, Nordson EFD systems deliver accurate, repeatable deposits of glues, greases, and other industrial fluids in precise, low-volume applications.



Optimum® Syringe Barrels and Tips

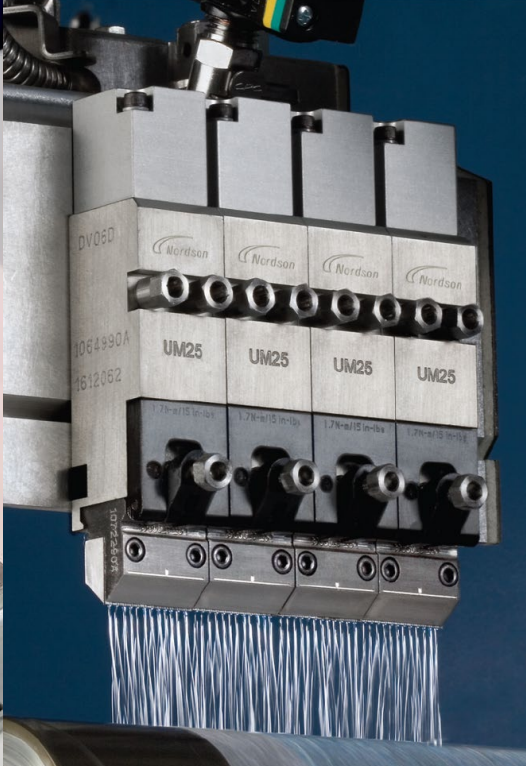
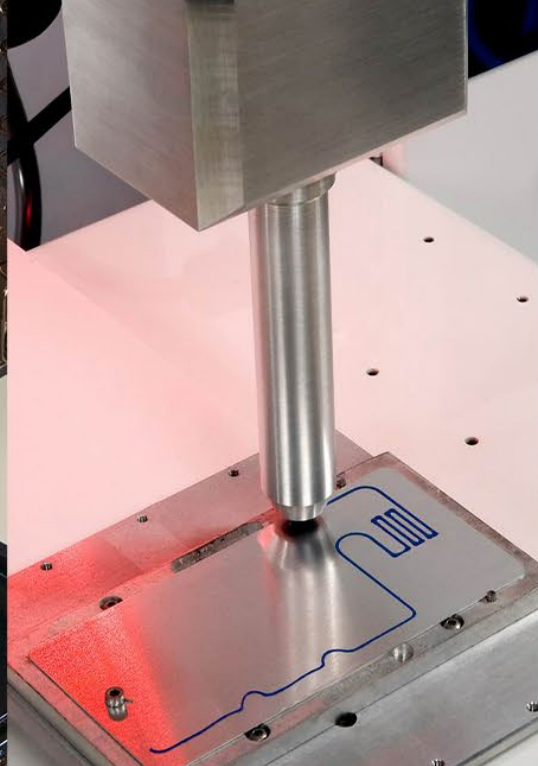
Optimum® components are designed as a complete system to help companies improve yields and reduce costs.

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)

NORDSON CORPORATION

RECONCILIATION OF NON-GAAP MEASURES - ADJUSTED OPERATING PROFIT AND EBITDA (Unaudited)
(Dollars in thousands)

	Three Months Ended			
	January 31, 2022	January 31, 2021		
SALES BY SEGMENT				
Industrial precision solutions	\$ 323,933	\$ 288,416		
Advanced technology solutions	285,233	238,150		
Total sales	<u>\$ 609,166</u>	<u>\$ 526,566</u>		
OPERATING PROFIT				
Industrial precision solutions	\$ 102,187	\$ 83,403		
Advanced technology solutions	76,327	47,201		
Corporate	(22,654)	(21,579)		
Total operating profit	<u>\$ 155,860</u>	<u>\$ 109,025</u>		
OPERATING PROFIT ADJUSTMENTS⁽¹⁾				
Industrial precision solutions	\$ 1,563	\$ —		
ADJUSTED OPERATING PROFIT (NON-GAAP)⁽²⁾				
		% of Sales		% of Sales
Industrial precision solutions	\$ 103,750	32%	\$ 83,403	29%
Advanced technology solutions	76,327	27%	47,201	20%
Corporate	(22,654)		(21,579)	
Total operating profit - adjusted	<u>\$ 157,423</u>	26%	<u>\$ 109,025</u>	21%
DEPRECIATION & AMORTIZATION				
Industrial precision solutions	\$ 7,442		\$ 6,983	
Advanced technology solutions	15,810		16,544	
Corporate	2,138		2,493	
Total depreciation & amortization	<u>\$ 25,390</u>		<u>\$ 26,020</u>	
EBITDA (NON-GAAP)⁽²⁾				
Industrial precision solutions	\$ 111,192	34%	\$ 90,386	31%
Advanced technology solutions	92,137	32%	63,745	27%
Corporate	(20,516)		(19,086)	
Total EBITDA	<u>\$ 182,813</u>	30%	<u>\$ 135,045</u>	26%

⁽¹⁾ Represents non-cash inventory charges associated with the NDC acquisition.

⁽²⁾ Adjusted operating profit and EBITDA are non-GAAP measures used by management to evaluate the Company's ongoing operations and non-cash inventory charges related to the NDC acquisition. Adjusted operating profit is defined as operating profit plus certain adjustments, such as non-cash inventory charges associated with the NDC acquisition. EBITDA is defined as adjusted operating profit plus depreciation and amortization.

Reconciliation of Non-GAAP Measures

Profitability (Dollars in thousands)



NORDSON CORPORATION
RECONCILIATION OF NON-GAAP MEASURES - PROFITABILITY (Unaudited)
(Dollars in thousands)

	Three Months Ended	
	January 31, 2022	January 31, 2021
<u>GAAP AS REPORTED</u>		
Operating profit	\$ 155,860	\$ 109,025
Other / interest expense - net	(3,893)	(11,213)
Net income	120,409	77,582
Diluted earnings per share	\$ 2.05	\$ 1.32
Shares outstanding - diluted	58,819	58,755
<u>OPERATING PROFIT ADJUSTMENTS</u>		
Inventory step-up amortization	\$ 1,563	\$ —
Adjustments net of tax	\$ 1,238	\$ —
EPS effect of adjustments	\$ 0.02	\$ —
<u>NON-GAAP MEASURES-ADJUSTED PROFITABILITY</u>		
Operating profit ⁽¹⁾	\$ 157,423	\$ 109,025
Operating profit % of sales	25.8 %	20.7 %
Net income ⁽²⁾	\$ 121,647	\$ 77,582
Diluted earnings per share ⁽³⁾	\$ 2.07	\$ 1.32

⁽¹⁾ Adjusted operating profit is defined as operating profit plus certain adjustments such as non-cash inventory charges related to the NDC acquisition. 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 first quarter ended January 31, 2022, for a reconciliation of the non-GAAP measures Adjusted Operating Profit and EBITDA.