Nordson

1Q Fiscal 2022
Webcast

Ascend
STRATEGY

February 23, 2022

NBS NEXT | OWNER MINDSET | WINNING TEAMS

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.

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Agenda

1Q Fiscal 2022 Webcast – February 23, 2022

- First Quarter Highlights
- Sales Performance and Earnings Review
- Balance Sheet and Cash Flow
- Enterprise Performance
- 2Q 2022 and FY 2022 Guidance
- Q&A



Sundaram Nagarajan
President and
Chief Executive Officer



Joseph Kelley
Executive Vice President,
Chief Financial Officer



Lara Mahoney
Vice President,
Investor Relations

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

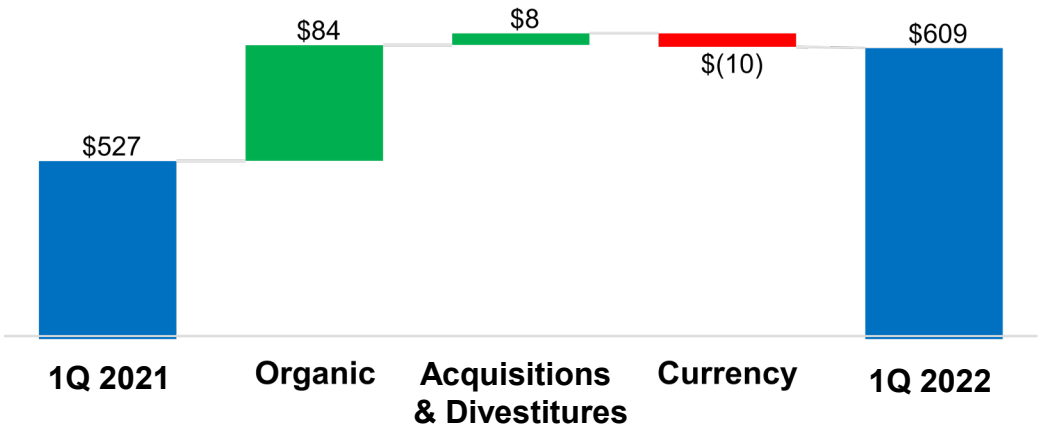
Sales

- 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

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.

Numbers reflect adjusted operating profit – see reconciliation in appendix

Industrial Precision Solutions – 1Q 2022

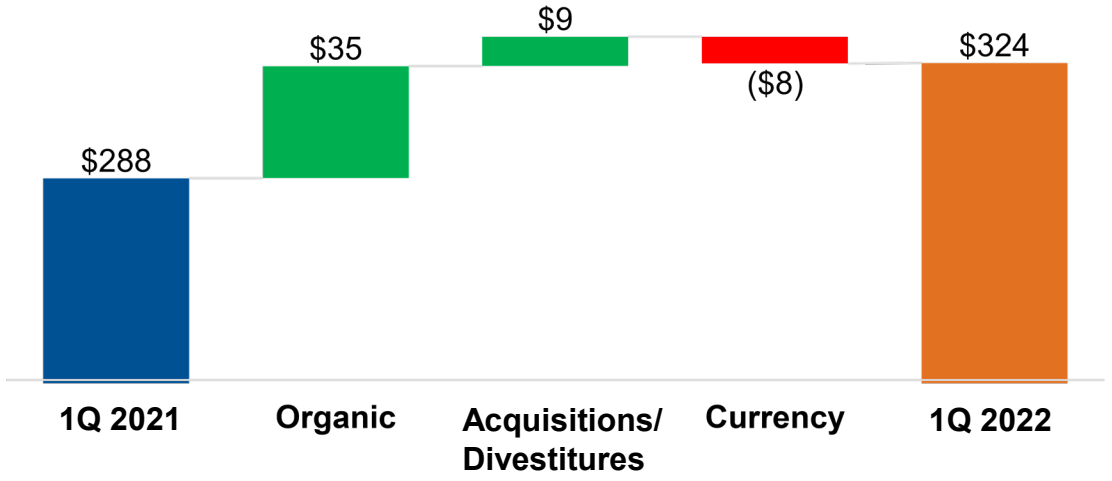
Sales

- 12% sales increase
- 12% organic growth; 3% acquisition/divestiture; 3% unfavorable currency
- Robust demand for industrial coating products, plus steady growth in consumer non-durable end markets

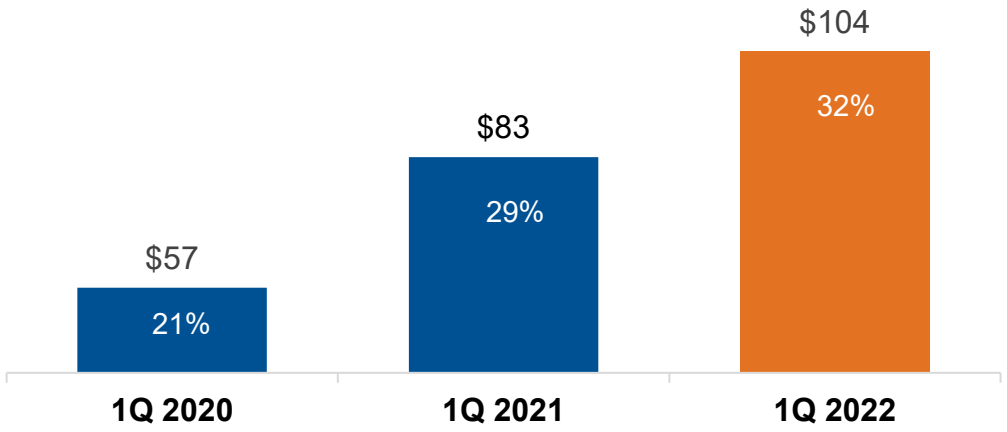
Operating Profit

- Operating profit grew 24% to $104 million
- Organic incremental operating profit margins of 51%

1Q 2022 IPS Sales Bridge



Operating Profit and Margin



Numbers reflect adjusted operating profit – see reconciliation in appendix

Advanced Technology Solutions – 1Q 2022

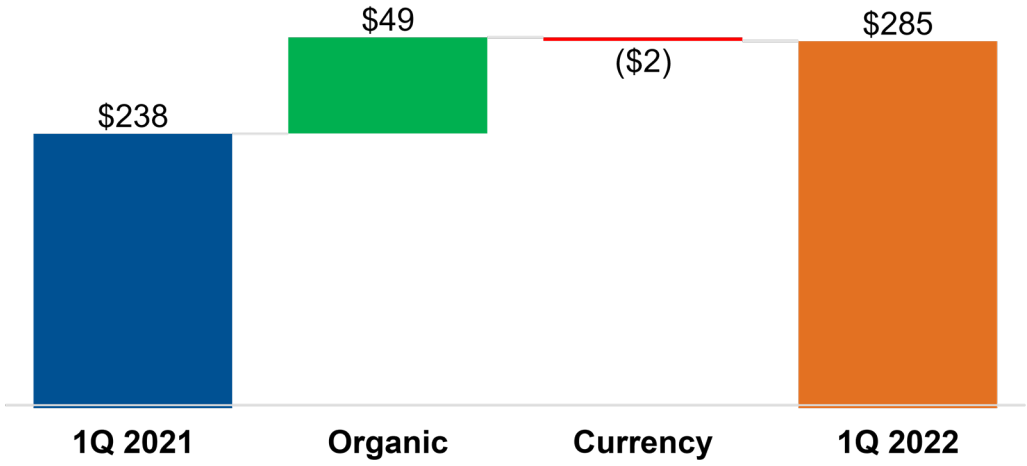
Sales

- Sales increased 20%
- 21% organic growth; 1% unfavorable currency
- Growth was across all major product lines, particularly in electronics and medical end markets

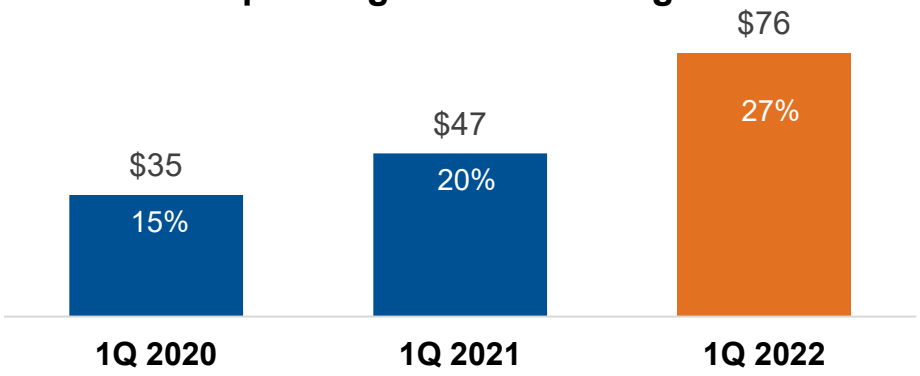
Operating Profit

- Operating profit grew 62% to $76 million
- Operating profit margin of 27% in the quarter and 26% over the trailing twelve months

1Q 2022 ATS Sales Bridge



Operating Profit and Margin



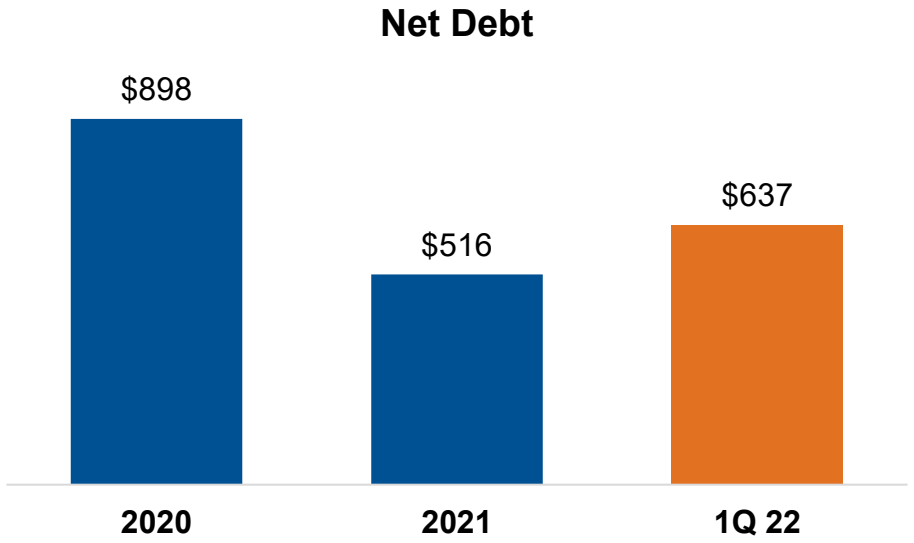
7 Numbers reflect adjusted operating profit – see reconciliation in appendix

Balance Sheet and Cash Flow

Strong Cash Flow with Sufficient Liquidity to Invest in Strategic Initiatives

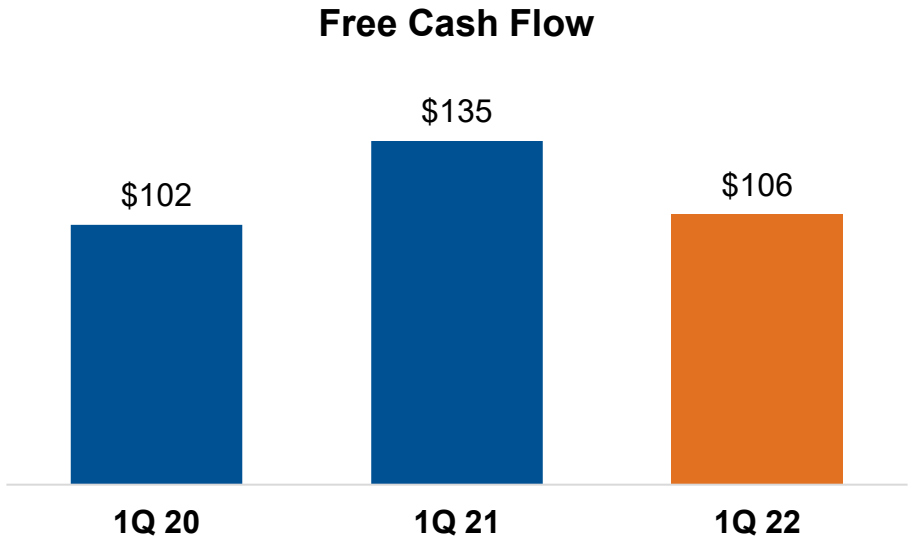
Net Debt

- 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





Enterprise Highlights

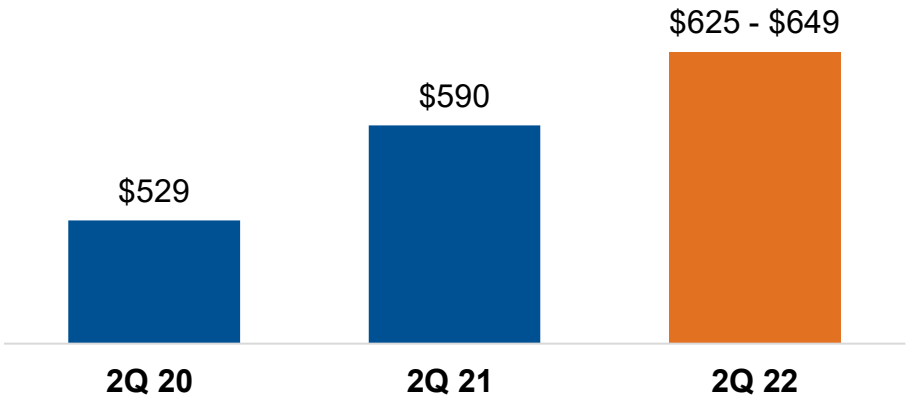
- Deployment of NBS Next growth framework clear in facility visits
- Innovation is driving success in key end markets
- Winning teams driving strong performance

2Q Fiscal 2022 Guidance

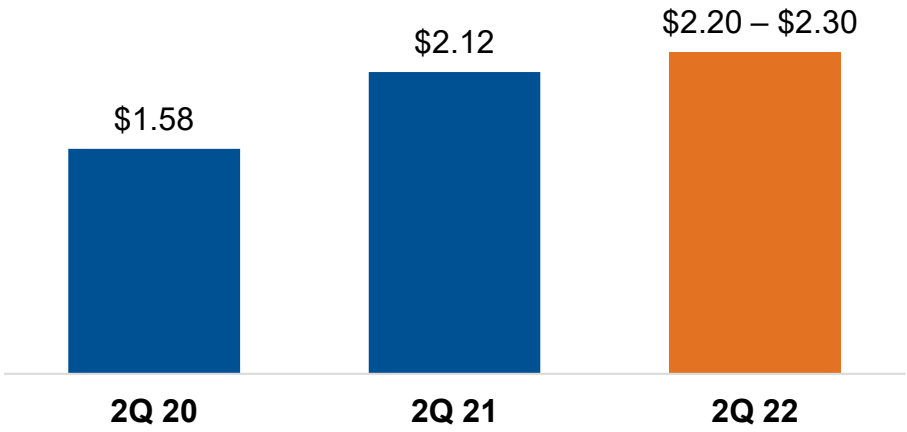
Steady Growth

- 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

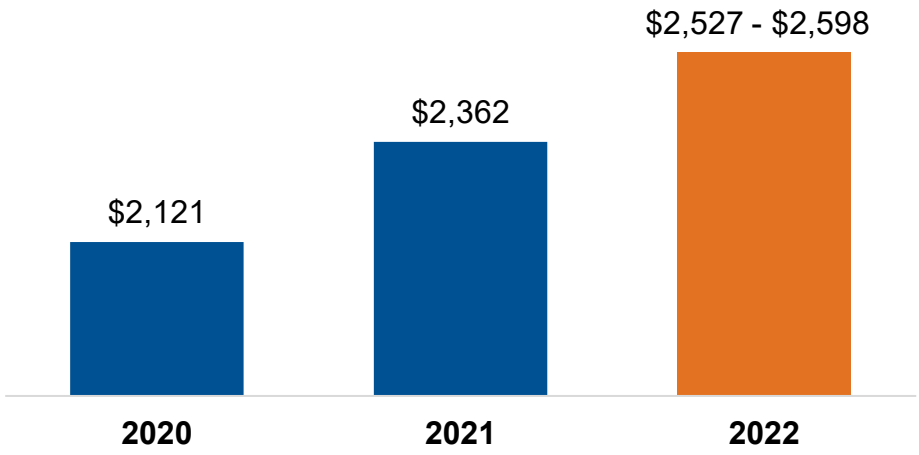


Full-Year Fiscal 2022 Guidance

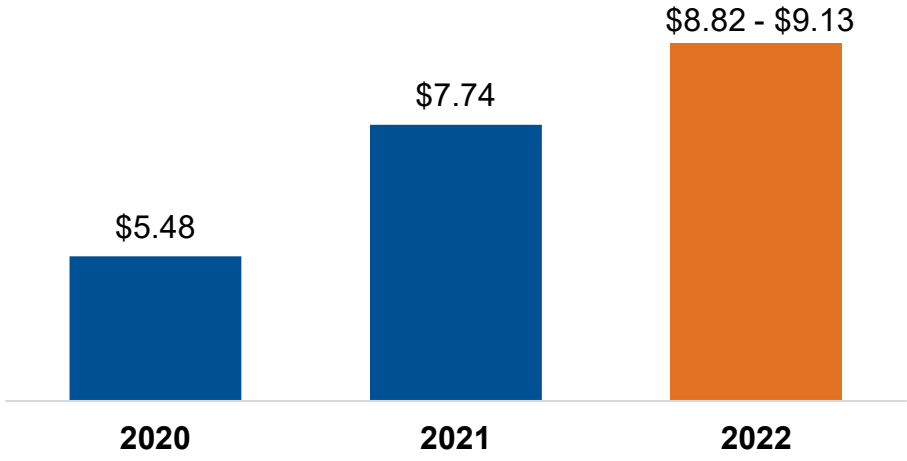
Full-Year Growth from Record 2021

- 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



Questions?

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Reconciliation of Non-GAAP Measures

Adjusted Operating Profit and EBITDA (Dollars in thousands)

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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	$ 609,166		$ 526,566	
OPERATING PROFIT				
Industrial precision solutions	$ 102,187		$ 83,403	
Advanced technology solutions	76,327		47,201	
Corporate	(22,654)		(21,579)	
Total operating profit	$ 155,860		$ 109,025	
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	$ 157,423	26%	$ 109,025	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	$ 25,390		$ 26,020	
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	$ 182,813	30%	$ 135,045	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
GAAP AS REPORTED		
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
OPERATING PROFIT ADJUSTMENTS		
Inventory step-up amortization	$ 1,563	$ —
Adjustments net of tax	$ 1,238	$ —
EPS effect of adjustments	$ 0.02	$ —
NON-GAAP MEASURES-ADJUSTED PROFITABILITY		
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.