Nordson

4Q & Full-Year Fiscal 2022

Webcast

December 15, 2022

Ascend
STRATEGY

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.

Nordson

Agenda

4Q and Full-Year Fiscal 2022 Webcast – December 15, 2022

- Fourth Quarter and Full-Year Highlights
- Sales Performance and Earnings Review
- Balance Sheet and Cash Flow
- Enterprise Performance
- FY 2023 and 1Q 2023 Outlook and 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

Strong execution and NBS Next driving record results

- Record performance despite macro-economic factors
- Second consecutive year of record results
- NBS Next growth framework is a working model, becoming competitive advantage

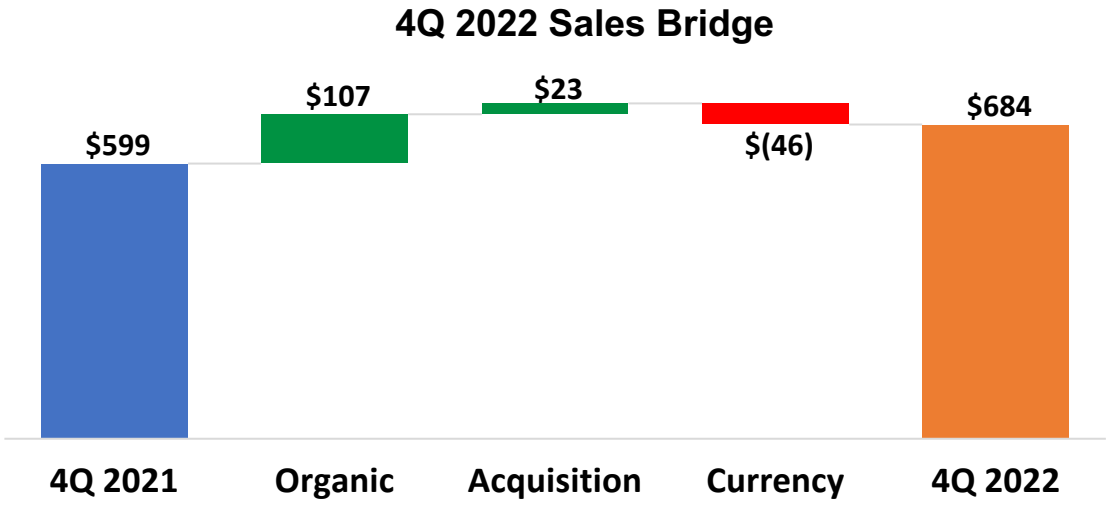
Total Company – 4Q 2022

Sales

- 14% sales growth, inclusive of 18% organic growth plus the NDC acquisition, offset by 8% impact of unfavorable currency
- Organic sales increase 14% volume and 4% pricing
- Growth in all geographies and most product lines, particularly polymer processing, electronics and medical

Operating Profit

- Operating profit of $178 million, 26% of sales
- Organic incremental operating profit margins of 43%
- Constant currency growth of 27% offset by negative 10% foreign currency
- EBITDA margin was 30% of sales



	4Q 2021	4Q 2022	Δ
Sales	$599.2	$683.6	14%
Operating Profit	$151.4	$177.6	17%
EBITDA	$177.1	$202.3	14%
EPS GAAP	$1.88	$2.44	30%
EPS Adjusted	$1.88	$2.44	30%

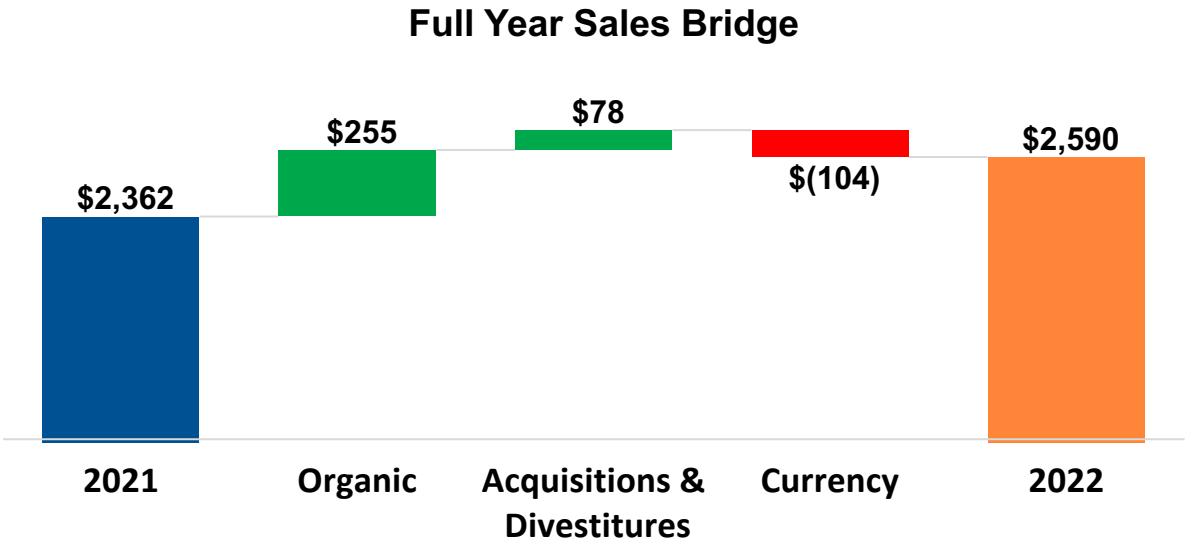
Total Company – Fiscal 2022

Record Annual Sales

- Annual sales of $2.6 billion, an increase of 10%
- Organic growth increased 11% with NDC acquisition contributing 3%. This was offset by unfavorable currency impact of 4%.
- Broad-based growth across most end markets and geographies

Record Operating Profit

- Full-year record operating profit was $707 million, or 27% of sales
- Incremental organic operating margins of 55%
- EBITDA was $807 million, or 31% of sales
- Earnings growth of 22%



	FY 2021	FY 2022	Δ
Sales	$2,362.2	$2,590.3	10%
Operating Profit*	$615.1	$707.3	15%
EBITDA*	$719.0	$807.2	12%
EPS GAAP	$7.74	$8.81	14%
EPS Adjusted*	$7.74	$9.43	22%

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

Numbers reflect adjusted operating profit – see reconciliation in appendix

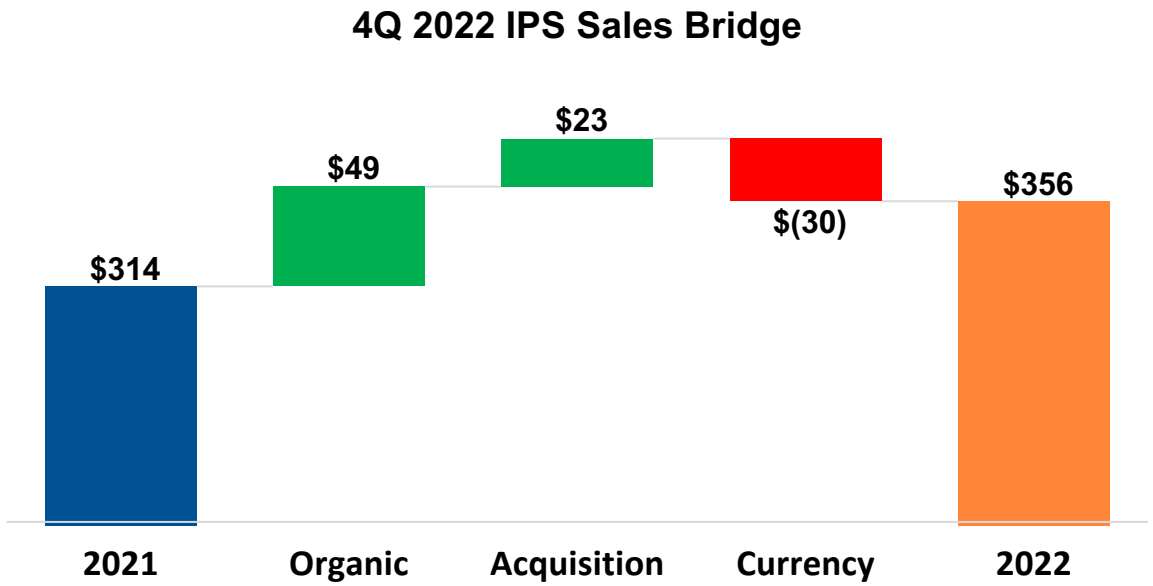
Industrial Precision Solutions – 4Q 2022

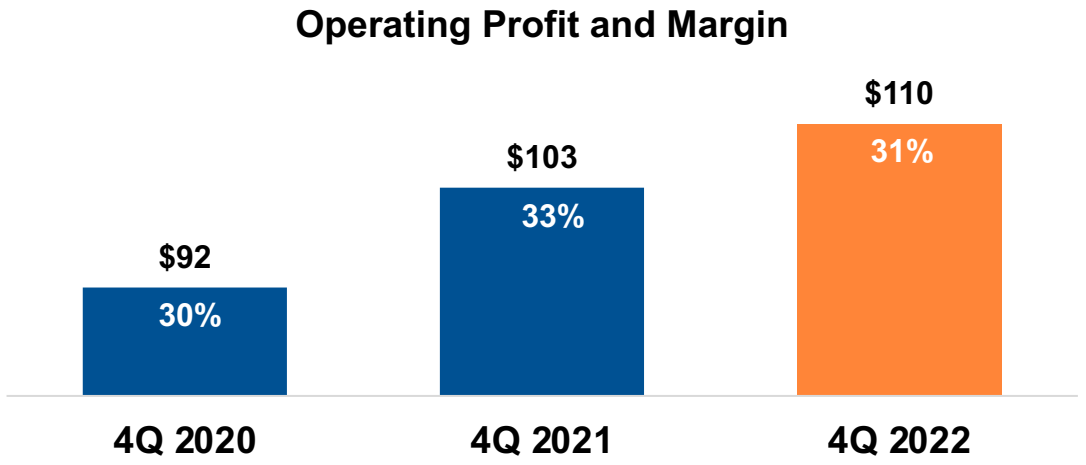
Sales

- 13% sales increase
- 16% organic growth; 7% acquisition; 10% unfavorable currency impact
- Robust demand in polymer processing product lines, plus steady growth in consumer non-durable and industrial end markets

Operating Profit

- Operating profit grew 8% to $110 million
- Incremental organic operating margins of 43%
- Sales volume leverage and favorable spending, plus the benefit of NDC acquisition



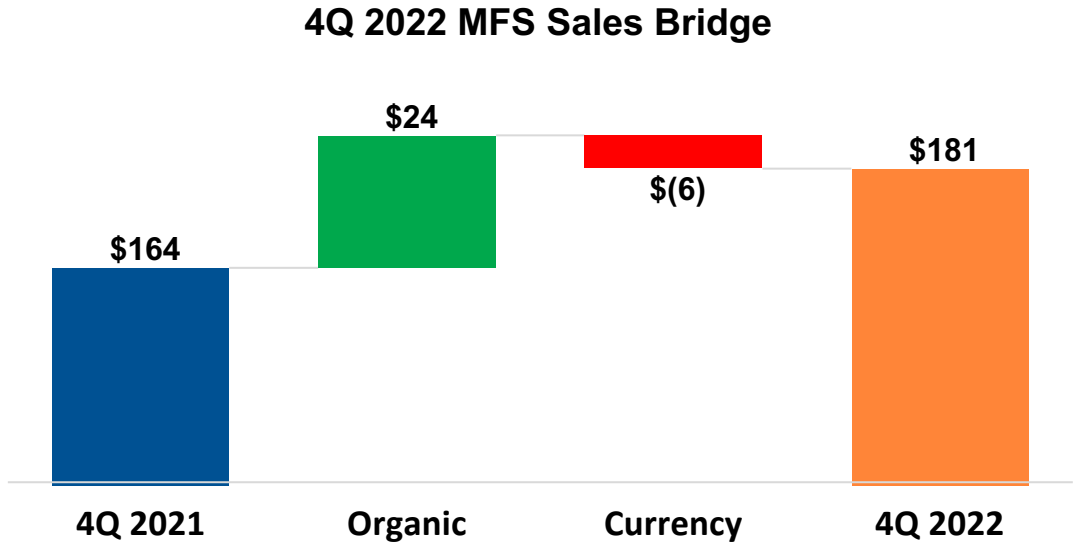


Numbers reflect adjusted operating profit – see reconciliation in appendix

Medical and Fluid Solutions – 4Q 2022

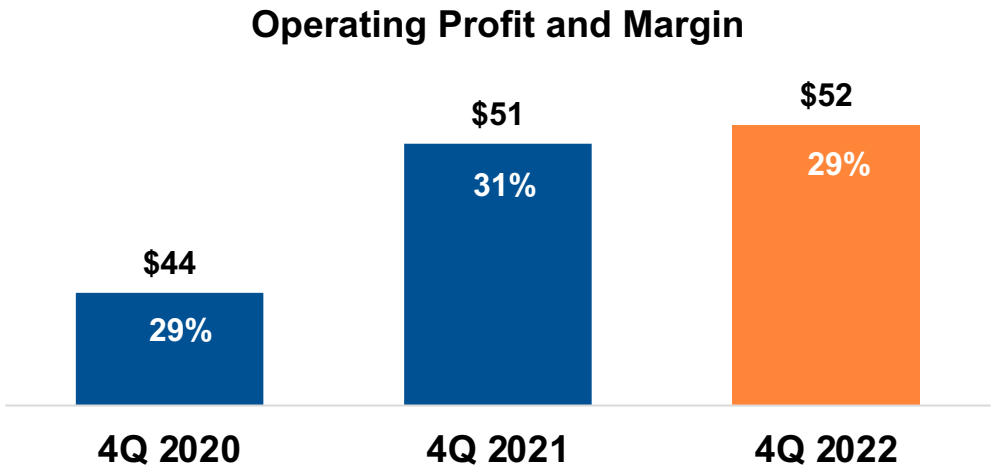
Sales

- Sales increased 11%
- 15% organic growth; 4% unfavorable currency impact
- Growth across all product lines, particularly biopharma fluid components



Operating Profit

- Operating profit grew 2% to $52 million
- Driven by volume leverage, offset by temporary manufacturing inefficiencies related to Fluid Dispense facility consolidation

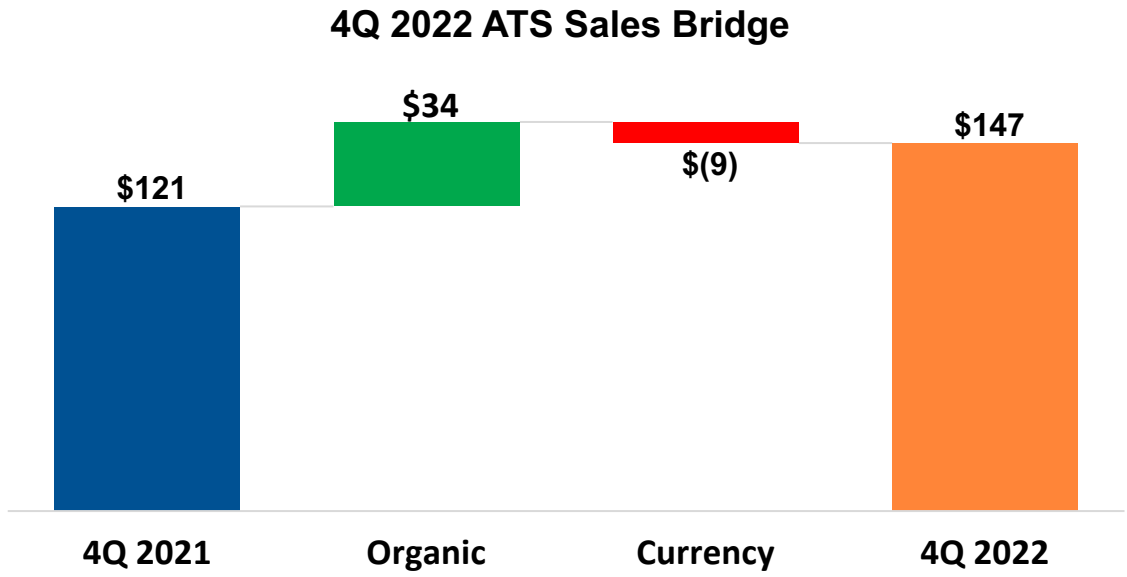


 Numbers reflect adjusted operating profit – see reconciliation in appendix

Advanced Technology Solutions – 4Q 2022

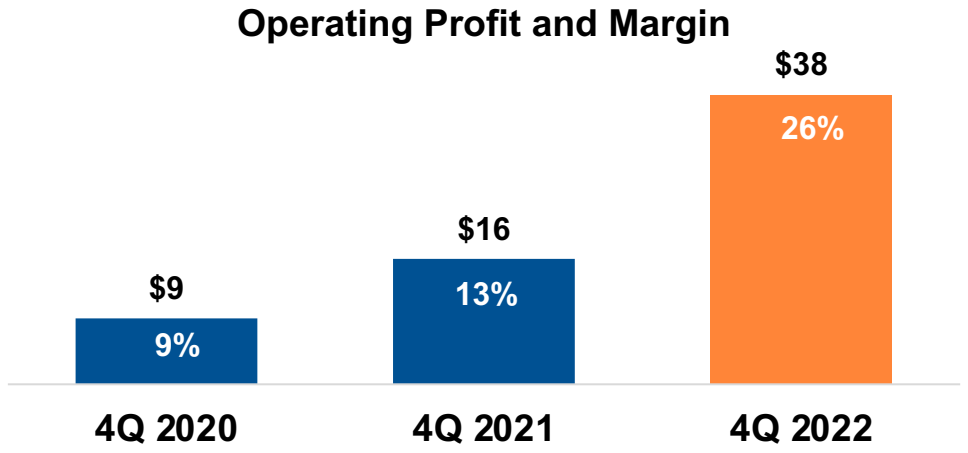
Sales

- Sales increased 21%
- 28% organic growth; 7% unfavorable currency impact
- Double-digit growth in both T&I and electronics dispense product lines



Operating Profit

- Operating profit grew 131% to $38 million
- Driven by volume leverage, benefits from cost control measures taken in the prior year, and deployment of NBS Next



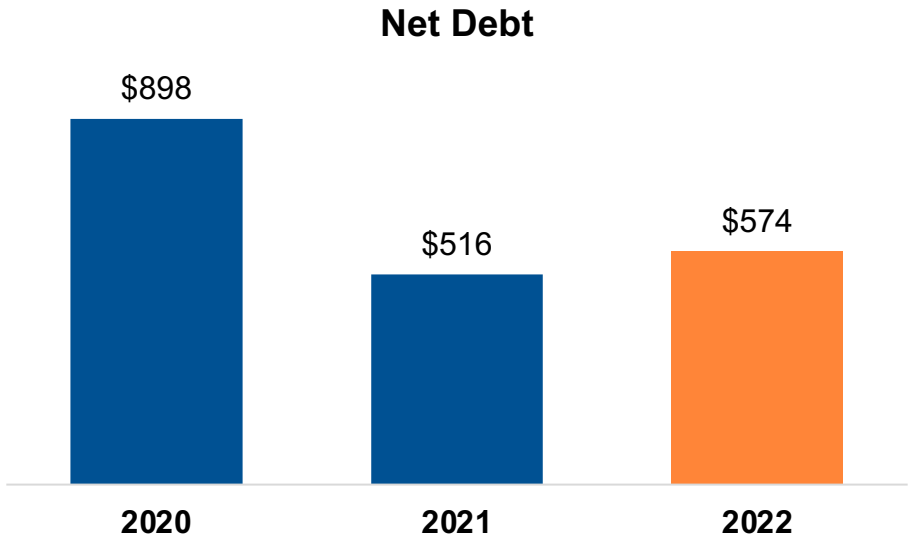
 Numbers reflect adjusted operating profit – see reconciliation in appendix

Balance Sheet and Cash Flow

Strong Cash Flow with Sufficient Liquidity to Invest in Strategic Initiatives

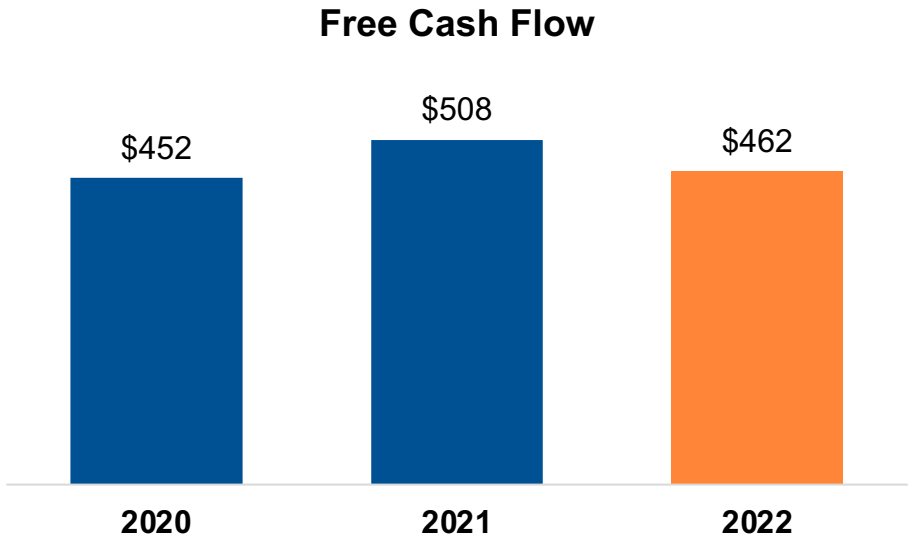
Net Debt

- Cash totaled $163 million
- 0.7 net debt leverage ratio based on trailing 12-month EBITDA



Free Cash Flow

- Conversion rate of 90% of net income
- Strategic investments in inventory



Looking forward

NBS Next combined with core capabilities position Nordson well



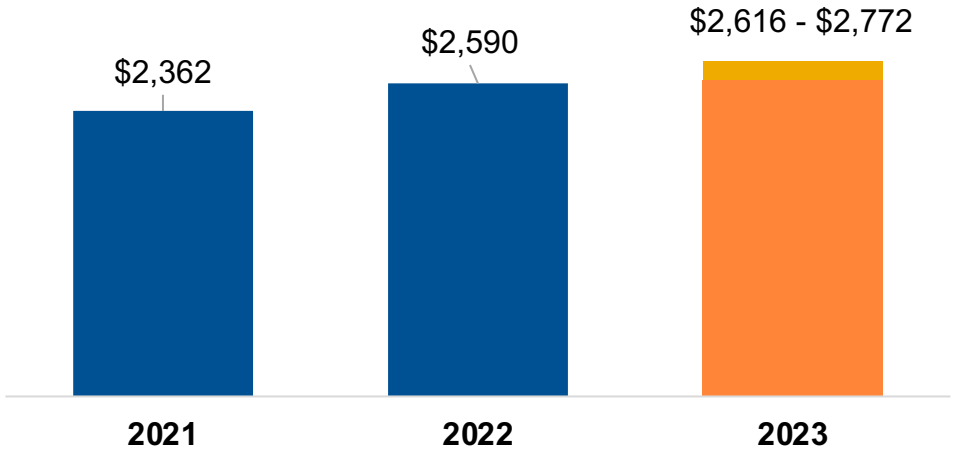
- NBS Next growth framework creates competitive advantage
- Customer-centric business model
- Diversified geographies and end markets
- Over 50% recurring revenue
- Disciplined M&A strategy adds precision technology

2023 Fiscal Full-Year Guidance

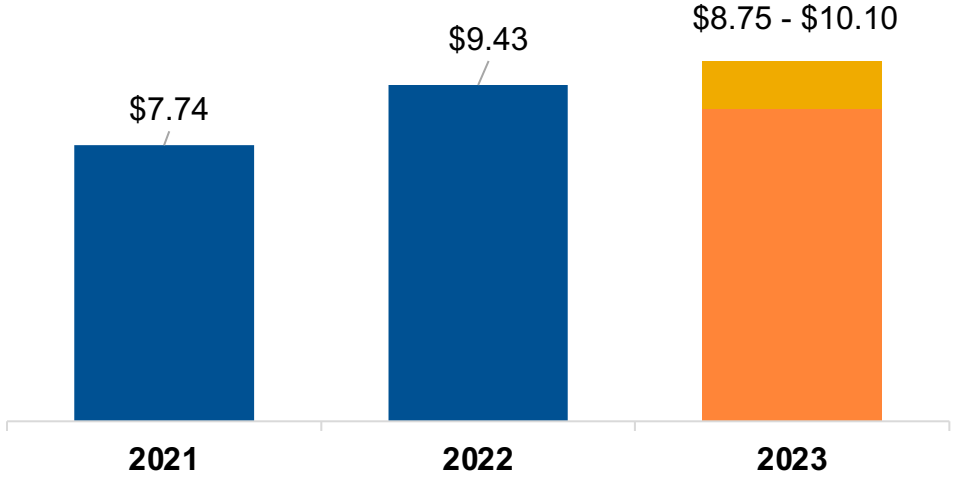
Full-Year Growth from Record 2022

- NBS Next Deployment throughout the business is advancing and delivering results
- Backlog, including CyberOptics, is ~$1 billion
- Fiscal 2023 sales growth of ~1 – 7%
- Adjusted earnings in the range of $8.75 - $10.10
- Assumes negative currency impact of ~2% on sales and ~3% on earnings; increased interest rate environment; and limited visibility into the back half of fiscal 2023

Full-Year Sales Guidance



Full-Year Adjusted EPS Guidance

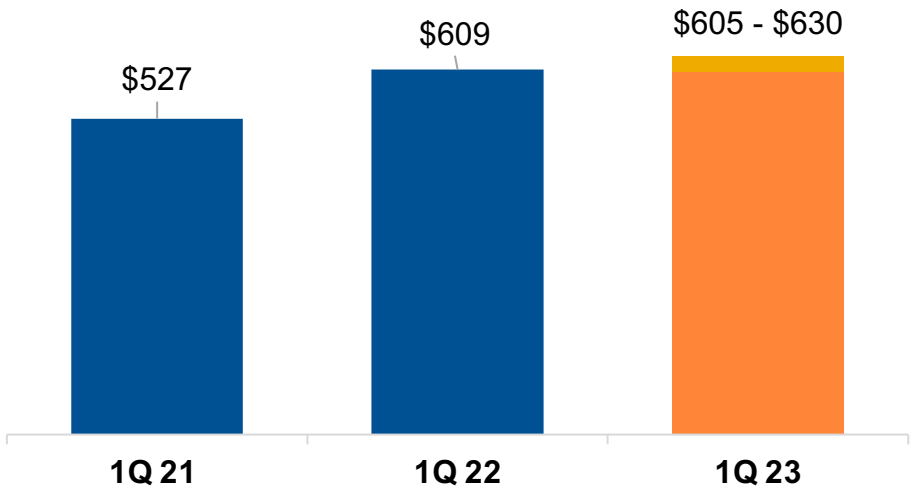


2023 Fiscal 1Q Guidance

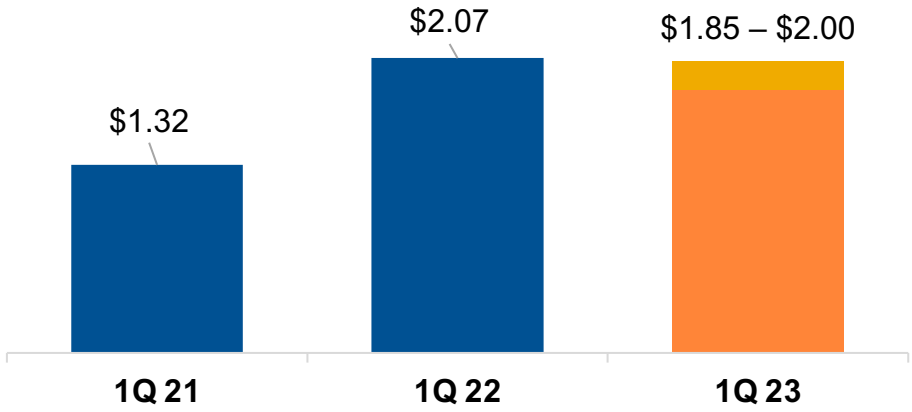
Steady performance moving into 1Q

- 1Q 23 sales of $605 - $630 million
- 1Q 23 adjusted earnings per share in the range of $1.85 - $2.00
- Assumes negative currency impact of ~4% on sales and ~7% on earnings

1Q 2023 Sales Guidance



1Q 2022 Adjusted EPS Guidance



Questions?

Nordson

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		Twelve Months Ended	
	October 31, 2022	October 31, 2021	October 31, 2022	October 31, 2021
SALES BY SEGMENT				
Industrial precision solutions	$ 355,659	$ 314,307	$1,337,242	$1,246,947
Medical and fluid solutions	181,342	163,504	690,177	641,654
Advanced technology solutions	146,580	121,436	562,859	473,608
Total sales	$ 683,581	$ 599,247	$2,590,278	$2,362,209
OPERATING PROFIT				
Industrial precision solutions	$ 110,387	$ 102,677	$ 434,476	$ 414,192
Medical and fluid solutions	51,689	50,758	217,199	198,194
Advanced technology solutions	37,720	16,346	133,253	73,466
Corporate	(22,187)	(18,346)	(82,568)	(70,725)
Total operating profit	$ 177,609	$ 151,435	$ 702,360	$ 615,127
OPERATING PROFIT ADJUSTMENTS [1]				
Industrial precision solutions	$ —	$ —	$ 1,563	$ —
Medical and fluid solutions	—	—	2,498	—
Corporate	—	—	897	—
Total adjustments	$ —	$ —	$ 4,958	$ —

ADJUSTED OPERATING PROFIT (NON-GAAP)		% of Sales		% of Sales		% of Sales		% of Sales
Industrial precision solutions	$ 110,387	31 %	$ 102,677	33 %	$ 436,039	33 %	$ 414,192	33 %
Medical and fluid solutions	51,689	29 %	50,758	31 %	219,697	32 %	198,194	31 %
Advanced technology solutions	37,720	26 %	16,346	13 %	133,253	24 %	73,466	16 %
Corporate	(22,187)		(18,346)		(81,671)		(70,725)	
Total operating profit - adjusted	$ 177,609	26 %	$ 151,435	25 %	$ 707,318	27 %	$ 615,127	26 %
DEPRECIATION & AMORTIZATION								
Industrial precision solutions	$ 7,186		$ 6,259		$ 27,891		$ 25,673	
Medical and fluid solutions	12,528		14,033		54,674		56,600	
Advanced technology solutions	2,075		2,954		8,780		11,826	
Corporate	2,892		2,404		8,578		9,784	
Total depreciation & amortization	$ 24,681		$ 25,650		$ 99,923		$ 103,883	

EBITDA (NON-GAAP) [2]								
Industrial precision solutions	$ 117,573	33 %	$ 108,936	35 %	$ 463,930	35 %	$ 439,865	35 %
Medical and fluid solutions	64,217	35 %	64,791	40 %	274,371	40 %	254,794	40 %
Advanced technology solutions	39,795	27 %	19,300	16 %	142,033	25 %	85,292	18 %
Corporate	(19,295)		(15,942)		(73,093)		(60,941)	
Total EBITDA	$ 202,290	30 %	$ 177,085	30 %	$ 807,241	31 %	$ 719,010	30 %

[1] Represents severance and 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. Adjusted operating profit is defined as operating profit plus certain adjustments, such as severance and non-cash inventory charges associated with acquisitions or facility closures. 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		Twelve Months Ended	
	October 31, 2022	October 31, 2021	October 31, 2022	October 31, 2021
GAAP AS REPORTED				
Operating profit	$ 177,609	$ 151,435	$ 702,360	$ 615,127
Other / interest expense - net	(69)	(11,326)	(53,081)	(40,951)
Net income	141,249	110,460	513,103	454,368
Diluted earnings per share	$ 2.44	$ 1.88	$ 8.81	$ 7.74
Shares outstanding - diluted	57,823	58,792	58,249	58,734
OPERATING PROFIT ADJUSTMENTS				
Inventory step-up amortization	$ —	$ —	$ 1,563	$ —
Severance and other	—	—	3,395	—
NON-OPERATING EXPENSE ADJUSTMENTS				
Pension settlement loss	$ —	$ —	$ 41,221	$ —
Total adjustments	$ —	$ —	$ 46,179	$ —
Adjustments net of tax	$ —	$ —	$ 36,494	$ —
EPS effect of adjustments and other discrete tax items	$ —	$ —	$ 0.62	$ —
NON-GAAP MEASURES-ADJUSTED PROFITABILITY				
Operating profit [1]	$ 177,609	$ 151,435	$ 707,318	$ 615,127
Operating profit % of sales	26.0 %	25.3 %	27.3 %	26.0 %
Net income [2]	$ 141,249	$ 110,460	$ 549,597	$ 454,368
Diluted earnings per share [3]	$ 2.44	$ 1.88	$ 9.43	$ 7.74

[1] Adjusted operating profit is defined as operating profit plus certain adjustments, such as severance, non-cash inventory charges related to the NDC acquisition, and facility closures. 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.