1Q Fiscal 2024
Webcast

Ascend
STRATEGY

February 22, 2024

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 these 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, including the conflict between Russia and Ukraine, acts of terror, natural disasters and pandemics, including the recent 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 press release.

Nordson

Agenda

1Q 2024 Webcast – February 22, 2024

- 1st Quarter Highlights
- Sales Performance and Earnings Review
- Balance Sheet and Cash Flow
- Enterprise Performance
- FY 2024 and 2Q 2024 Guidance
- Q&A



Sundaram Nagarajan
President and
Chief Executive Officer



Stephen Shamrock
Vice President, Interim
Chief Financial Officer



Lara Mahoney
Vice President,
Investor Relations

1Q24 Highlights

NBS Next driving results, ARAG acquisition performing well



- NBS Next is a competitive advantage
- Strong sales performance in medical interventional, industrial coatings and polymer processing product lines
- Profitability exceeded expectations
- Strategic deployment of record free cash flow
- ARAG integration progressing well, contributed to sales and EBITDA margin

Total Company – 1Q 2024

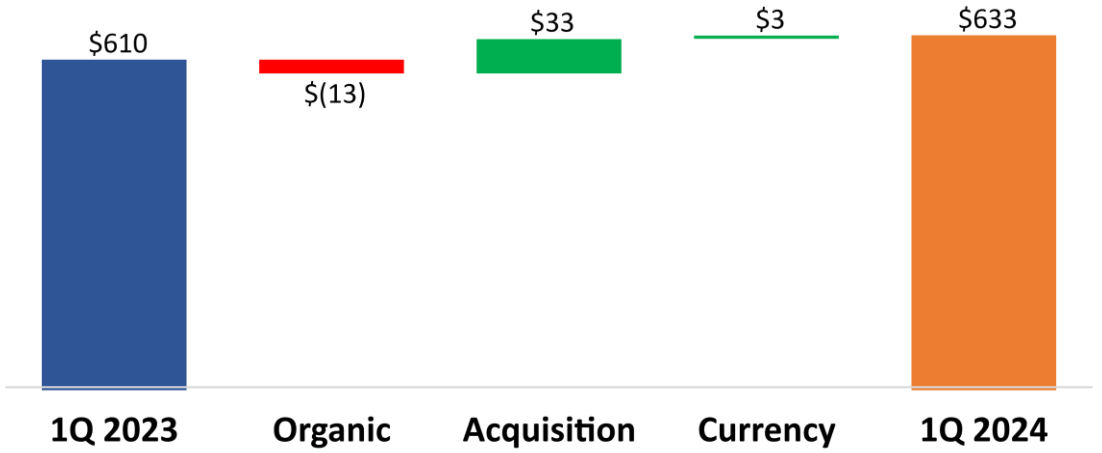
Sales

- Reported sales of $633M, an increase of 4%
- 5% growth from ARAG acquisition; 0.5% favorable currency impact
- 2% organic decrease driven by electronics product lines, partially offset by industrial and medical product lines

EBITDA*

- EBITDA was $197 million, a 9% increase
- Growth driven by improved gross margins and cost controls, as well as ARAG acquisition
- Gross margin improved 100 basis points related to product mix and factory efficiencies

1Q 2024 Sales Bridge



	1Q 2023	1Q 2024	Δ
Sales	$610.5	$633.2	4%
Operating Profit*	$154.5	$163.0	6%
EBITDA*	$180.9	$196.5	9%
EPS GAAP	$1.81	$1.90	6%
EPS Adjusted*	$2.14	$2.21	4%

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

Industrial Precision Solutions – 1Q 2024

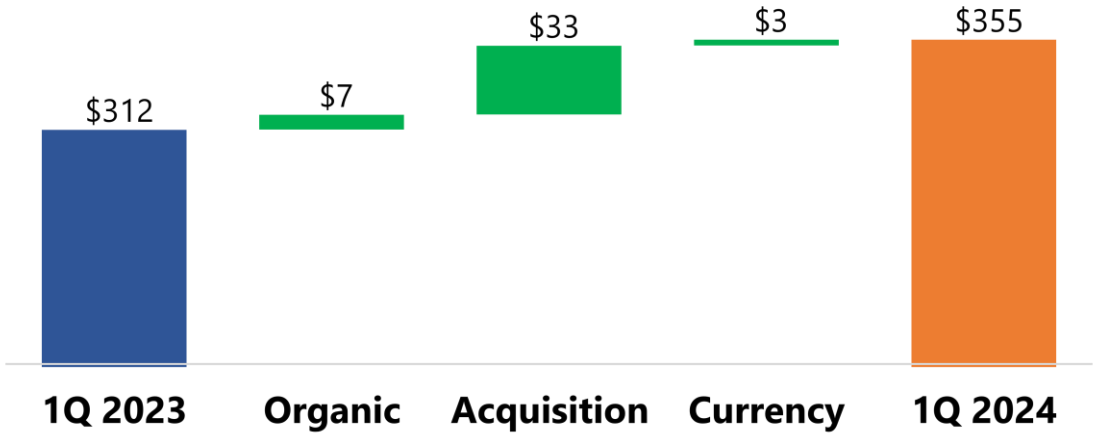
Sales

- Sales of $355 million, increased 14%
- Organic growth of 2% driven by industrial coatings, polymer processing and nonwovens

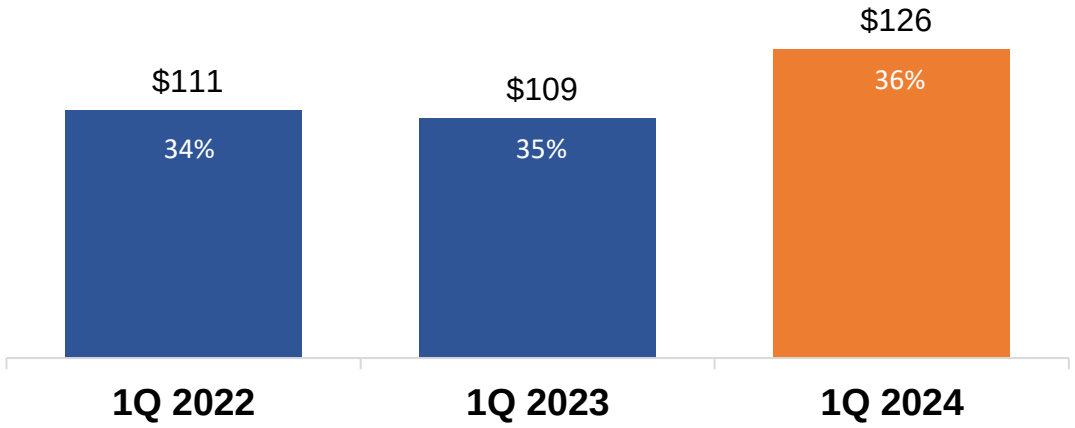
EBITDA*

- EBITDA was $126 million, or 36% of sales
- EBITDA growth driven by ARAG acquisition and organic revenue increase

1Q 2024 IPS Sales Bridge



EBITDA and Margin



*Non-GAAP numbers – See appendix for reconciliation.

Medical and Fluid Solutions – 1Q 2024

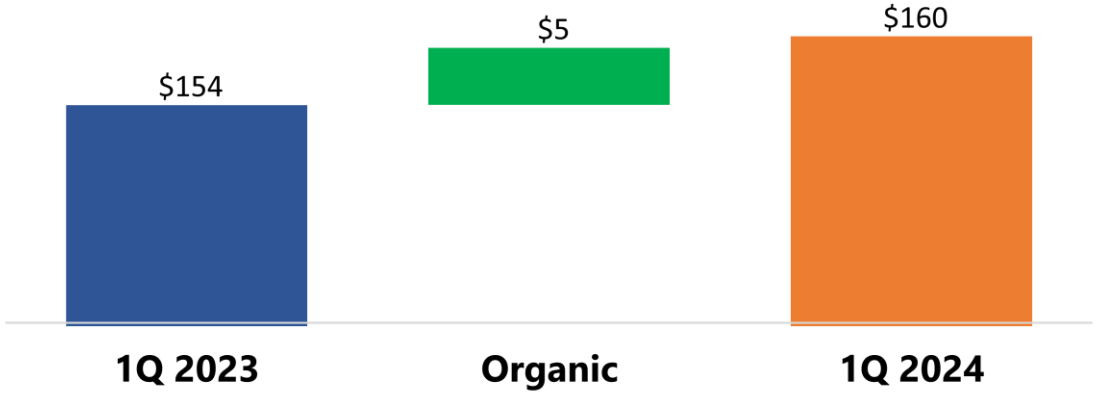
Sales

- Sales of $160 million, increased 3%
- Organic sales increase of 3% driven by double-digit growth in medical interventional solutions product lines
- Weakness from prior year biopharma destocking anniversaried during the quarter

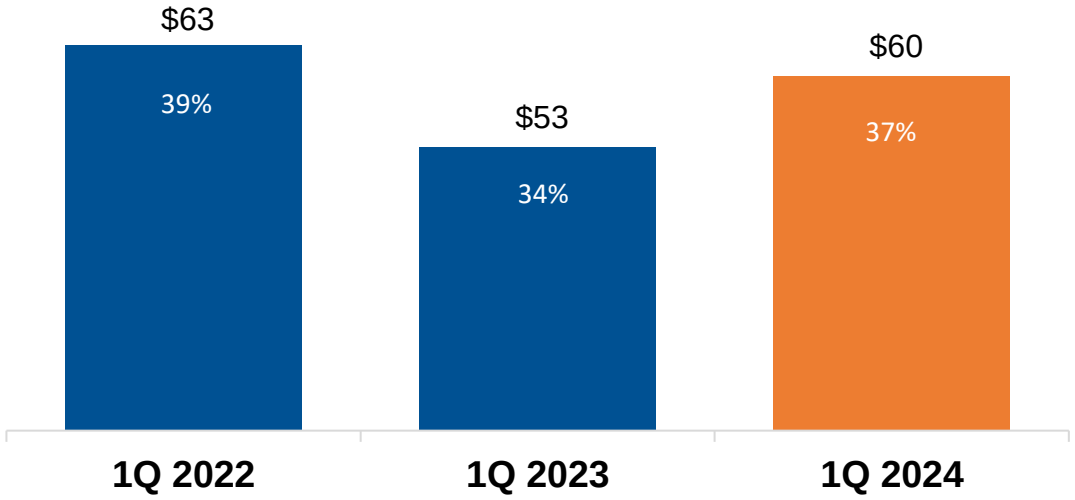
EBITDA*

- EBITDA remains strong at 37% of sales
- Improvement compared to prior year driven by volume growth, factory efficiency gains and cost actions

1Q 2024 MFS Sales Bridge**



EBITDA and Margin



*Non-GAAP numbers – See appendix for reconciliation.
**Amounts may not add due to rounding.

Advanced Technology Solutions – 1Q 2024

Sales

- Sales were $119 million, an 18% decrease
- Ongoing sales decline driven by softness in products serving the semiconductor end market

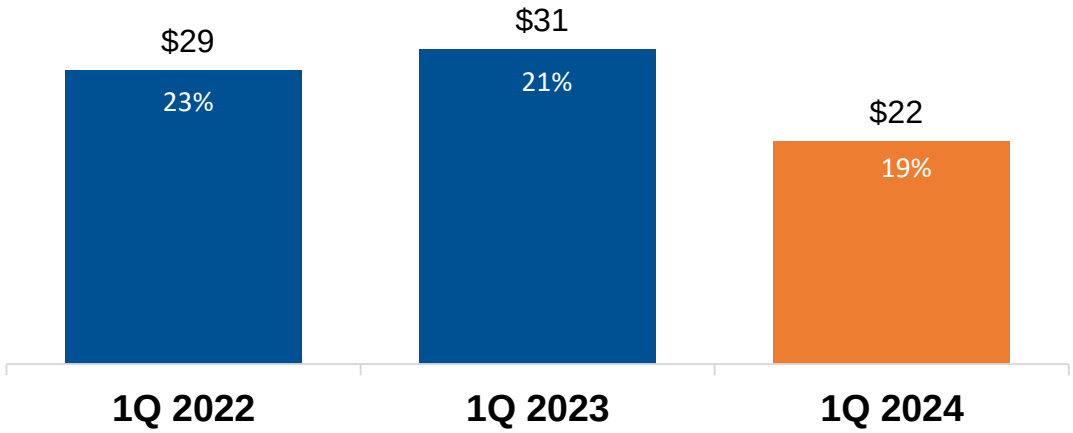
EBITDA*

- EBITDA was $22 million, or 19% of sales
- Reduction in EBITDA driven by volume declines
- Decremental margins of 32% ahead of target due to favorable mix and strategic cost reduction actions

1Q 2024 ATS Sales Bridge



EBITDA and Margin



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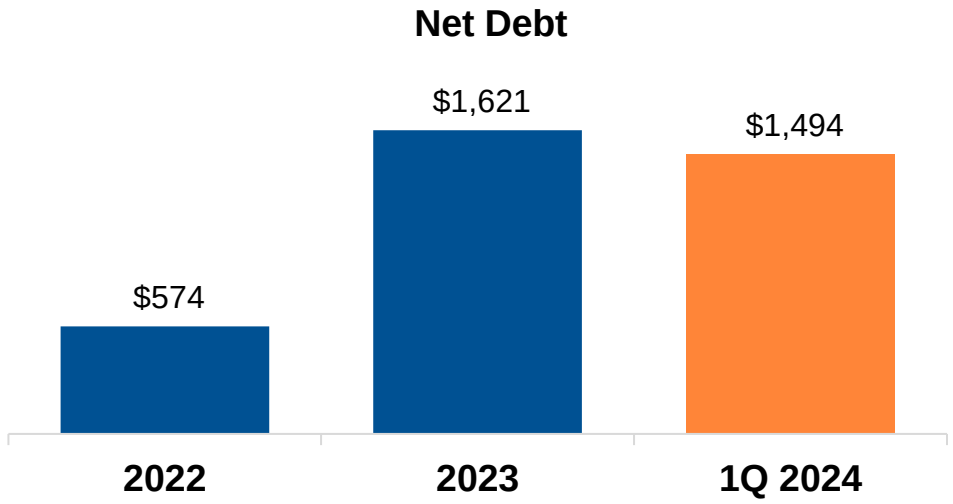
Balance Sheet and Cash Flow

Strong Cash Flow with Sufficient Liquidity to Invest in Strategic Initiatives

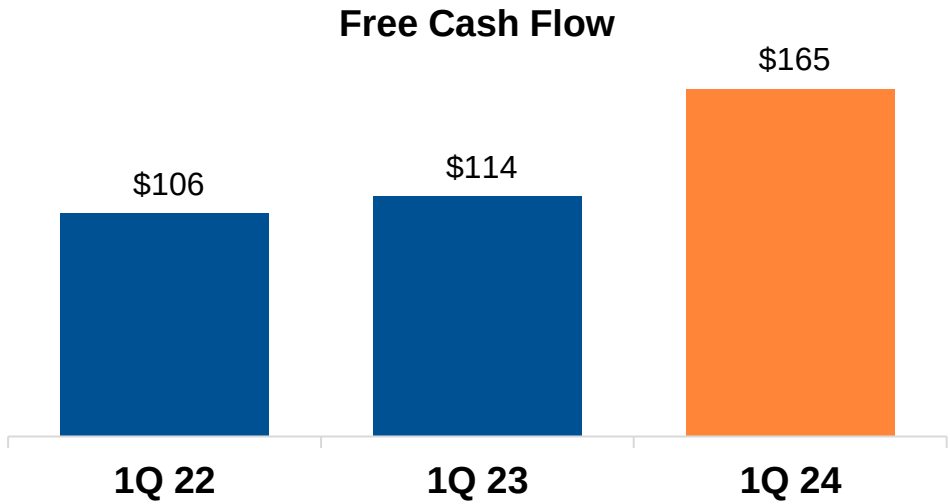
Net Debt

- Cash totaled $136 million
- 1.8 net debt leverage ratio based on trailing 12-month EBITDA
- Repaid $107 million of debt in the quarter



Free Cash Flow

- Cash flow of $165 million, which is a conversion rate of 150% of net income
- Dividend payments of $39 million, reflective of 5% increase in annual dividend approved in 2023



Enterprise Highlights



NBS Next is a competitive advantage

- Data-driven growth framework driving entrepreneurial owner mindset
- Focus on top products and customers improving lead times and responsiveness driving growth
- Strategic cost actions benefitting profitability and focus

Diverse End Markets

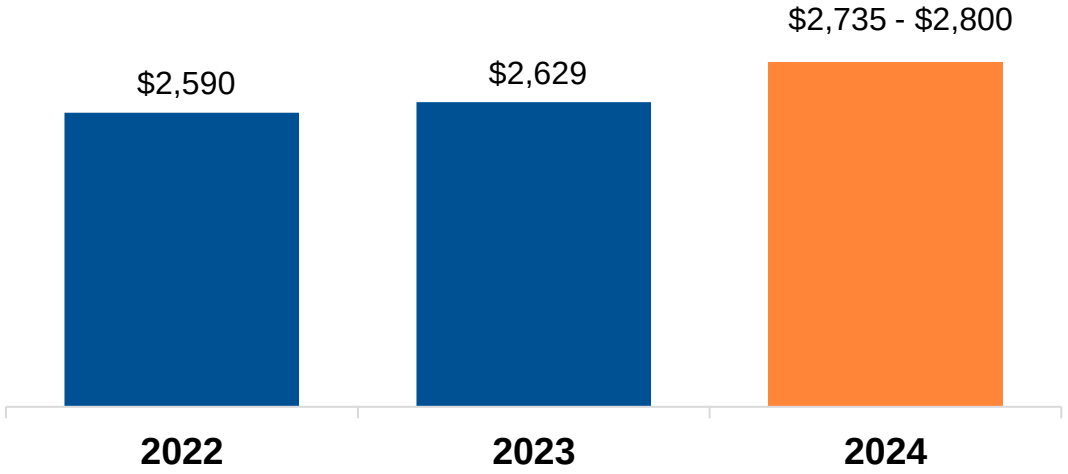
- Industrials and consumer non-durables steady
- Medical interventional solutions growing HSD
- Medical fluid components anniversaries biopharma destocking
- Ongoing weakness in semiconductor end market

Full-Year Fiscal 2024 Guidance

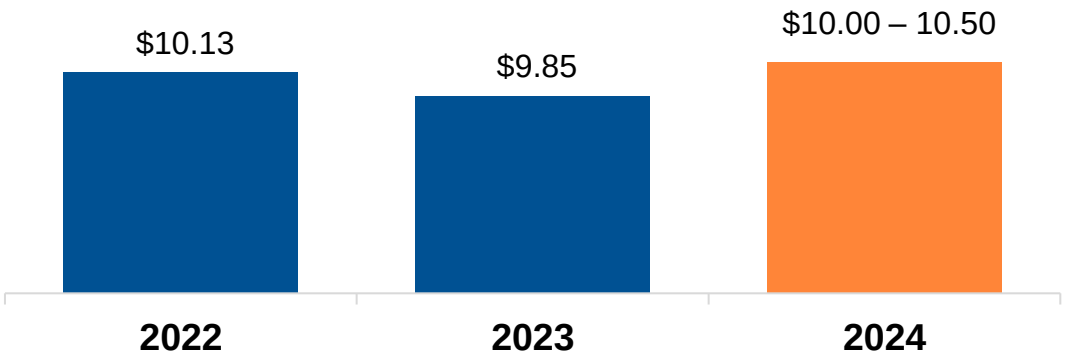
Narrowing guidance

- Backlog continues to normalize at $750 million
- Fiscal 2024 sales growth of 4% - 7%
- Adjusted earnings in the range of 2% to 7% growth

Full-Year Sales Guidance



Full-Year Adjusted EPS Guidance*

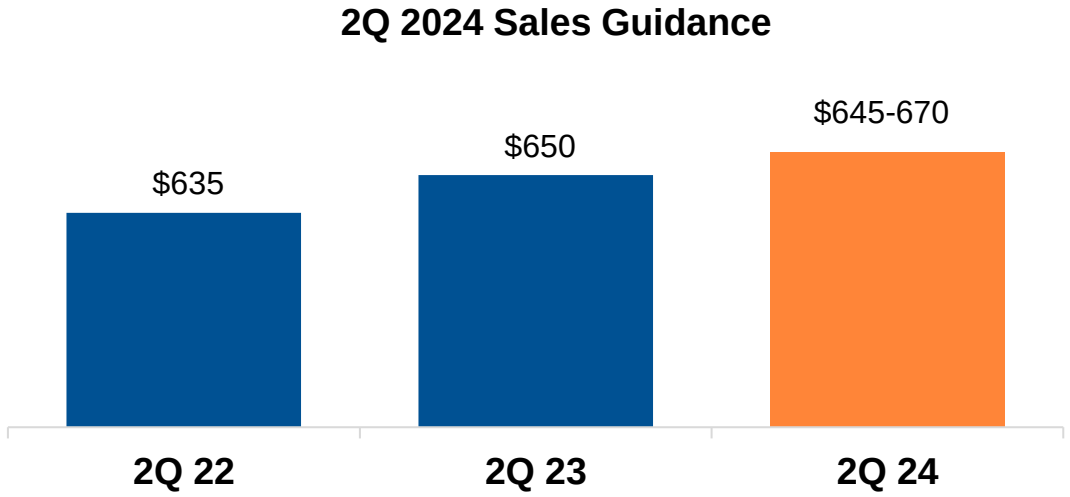


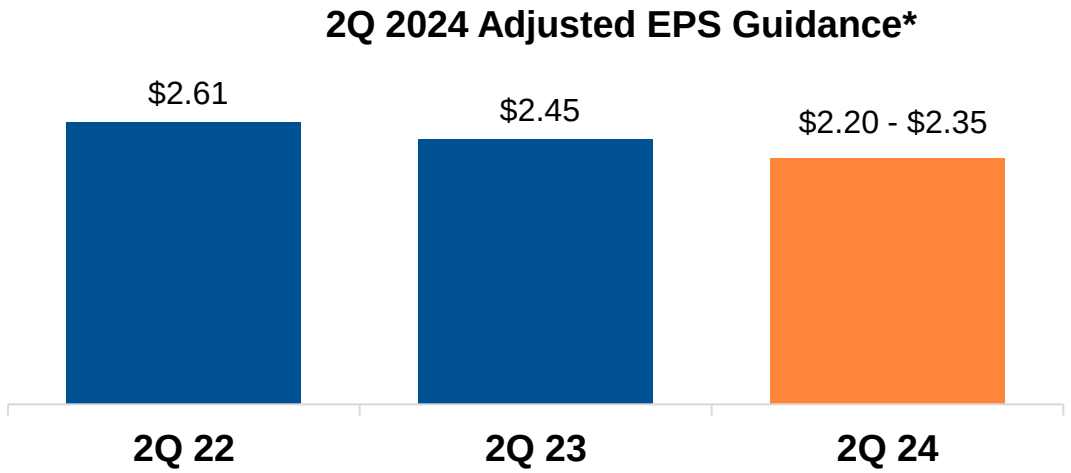
*Non-GAAP numbers - See appendix for reconciliation. In millions except for per share data.

2Q Fiscal 2024 Guidance

Steady performance moving into 2Q

- 2Q 24 sales of $645 - $670 million
- 2Q 24 adjusted earnings per share in the range of $2.20 - $2.35
- 2Q adjusted EPS guidance includes increased interest expense headwind of $0.13 per share and impact of Chinese New Year





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

New Board Members



Chris Mapes

Executive Chairman and recently retired president and CEO of Lincoln Electric, effective January 15

- Director at A.O. Smith and The Timken Company
- Wealth of global operations, M&A and industrial experience to Nordson board
- Demonstrated track record of operating performance improvement and shareholder value creation



Annette Clayton

Chair and former president and CEO of Schneider Electric NA, effective April 1

- Director at Duke Energy Corporation and NXP Semiconductors
- Impressive operating and executive leadership credentials in industrial and technology sectors
- First-hand experience in diversified global manufacturing companies led to familiarity with Nordson products and value proposition

Questions?

Nordson

Reconciliation of Non-GAAP Measures

Net Income to Adjusted EBITDA (Dollars in thousands)

NORDSON CORPORATION

RECONCILIATION OF NON-GAAP MEASURES - NET INCOME TO EBITDA (Unaudited)
(Dollars in thousands)

	Three Months Ended	
	January 31, 2024	January 31, 2023
Net income	$ 109,572	$ 104,261
Income taxes	29,127	26,819
Interest expense - net	20,398	9,943
Other expense - net	338	3,196
Depreciation and amortization	33,544	26,434
Inventory step-up amortization [1]	2,944	4,306
Acquisition-related costs [1]	597	5,989
EBITDA (non-GAAP) [2]	$ 196,520	$ 180,948

[1] Represents fees, severance and non-cash inventory charges associated with acquisitions.

[2] EBITDA is a non-GAAP measure used by management to evaluate the Company's ongoing operations. EBITDA is defined as operating profit plus certain adjustments, such as severance, fees and non-cash inventory charges associated with acquisitions, plus depreciation and amortization.

Reconciliation of Non-GAAP Measures

Adjusted Operating Profit and EBITDA (Dollars in thousands)

NORDSON CORPORATION

RECONCILIATION OF NON-GAAP MEASURES - EBITDA (Unaudited)
(Dollars in thousands)

	Three Months Ended			
	January 31, 2024		January 31, 2023	
SALES BY SEGMENT				
Industrial Precision Solutions	$ 354,547		$ 311,546	
Medical and Fluid Solutions	159,526		154,287	
Advanced Technology Solutions	119,120		144,644	
Total sales	$ 633,193		$ 610,477	
OPERATING PROFIT				
Industrial Precision Solutions	$ 108,364		$ 102,319	
Medical and Fluid Solutions	46,100		39,384	
Advanced Technology Solutions	19,038		16,963	
Corporate	(14,067)		(14,447)	
Total operating profit	$ 159,435		$ 144,219	
OPERATING PROFIT ADJUSTMENTS [1]				
Industrial Precision Solutions	$ 3,541		$ —	
Advanced Technology Solutions	—		10,295	
Total adjustments	$ 3,541		$ 10,295	
DEPRECIATION & AMORTIZATION				
Industrial Precision Solutions	$ 14,380		$ 6,845	
Medical and Fluid Solutions	13,705		13,625	
Advanced Technology Solutions	3,441		3,812	
Corporate	2,018		2,152	
Total depreciation & amortization	$ 33,544		$ 26,434	
EBITDA (NON-GAAP) [2]				
Industrial Precision Solutions	$ 126,285	36%	$ 109,164	35%
Medical and Fluid Solutions	59,805	37%	53,009	34%
Advanced Technology Solutions	22,479	19%	31,070	21%
Corporate	(12,049)		(12,295)	
Total EBITDA	$ 196,520	31%	$ 180,948	30%

[1] Represents fees, severance and non-cash inventory charges associated with acquisitions.

[2] EBITDA is a non-GAAP measure used by management to evaluate the Company's ongoing operations. EBITDA is defined as operating profit plus certain adjustments, such as severance, fees and non-cash inventory charges associated with acquisitions, plus depreciation and amortization.

Reconciliation of Non-GAAP Measures

Profitability (Dollars in thousands)

NORDSON CORPORATION

RECONCILIATION OF NON-GAAP MEASURES - ADJUSTED NET INCOME AND EARNINGS PER SHARE
(Unaudited)
(Dollars in thousands)

	Three Months Ended	
	January 31, 2024	January 31, 2023
GAAP AS REPORTED		
Operating profit	$ 159,435	$ 144,219
Other / interest expense - net	(20,736)	(13,139)
Net income	109,572	104,261
Diluted earnings per share	$ 1.90	$ 1.81
Shares outstanding - diluted	57,555	57,762
OPERATING PROFIT ADJUSTMENTS		
Inventory step-up amortization	$ 2,944	$ 4,306
Acquisition-related costs	597	5,989
ACQUISITION AMORTIZATION OF INTANGIBLES	$ 19,387	$ 13,872
Total adjustments	$ 22,928	$ 24,167
Adjustments net of tax	$ 18,113	$ 19,223
EPS effect of adjustments and other discrete tax items	$ 0.31	$ 0.33
NON-GAAP MEASURES-ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE		
Adjusted Net income [1]	$ 127,685	$ 123,484
Adjusted Diluted earnings per share [2]	$ 2.21	$ 2.14

[1] Adjusted net income is a non-GAAP measure defined as net income plus tax effected adjustments and other discrete tax items.

[2] Adjusted earnings per share is a non-GAAP measure defined as GAAP EPS adjusted for tax effected adjustments and other discrete tax items.

Management uses certain non-GAAP measures, such as adjusted net income, adjusted EPS and EBITDA, 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.