2Q Fiscal 2024
Webcast

Ascend
STRATEGY

May 21, 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 “such as “anticipates,” “supports,” “plans,” “projects,” “expects,” “believes,” “should,” “would,” “could,” “hope,” “forecast,” “management is of the opinion,” use of the future tense and similar words or phrases.. 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 conflicts in Europe and the Middle East, acts of terror, natural disasters, pandemics 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.

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Agenda

2Q 2024 Webcast – May 21, 2024

- 2nd Quarter Highlights
- Sales Performance and Earnings Review
- Balance Sheet and Cash Flow
- Market Outlook
- FY 2024 and 3Q 2024 Guidance
- Q&A



Sundaram Nagarajan
President and
Chief Executive Officer



Stephen Shamrock
Chief Accounting Officer



Lara Mahoney
Vice President,
Investor Relations

Dan Hopgood, EVP and Chief Financial Officer

- Joined Nordson May 20, 2024
- Brings more than 25 years of financial and operational expertise to Nordson
- Most recently Controller and Chief Accounting Officer at Eaton Corporation, a $23 billion multinational power management company



2Q24 Highlights



- Sales of $651 million driven by ARAG acquisition and growth in industrial coatings systems and fluid solutions product lines
- Solid operating performance driven by NBS Next Growth Framework
- Free cash flow of $108 million, 92% of net income
- Paid down nearly $100 million of debt

Total Company – 2Q 2024

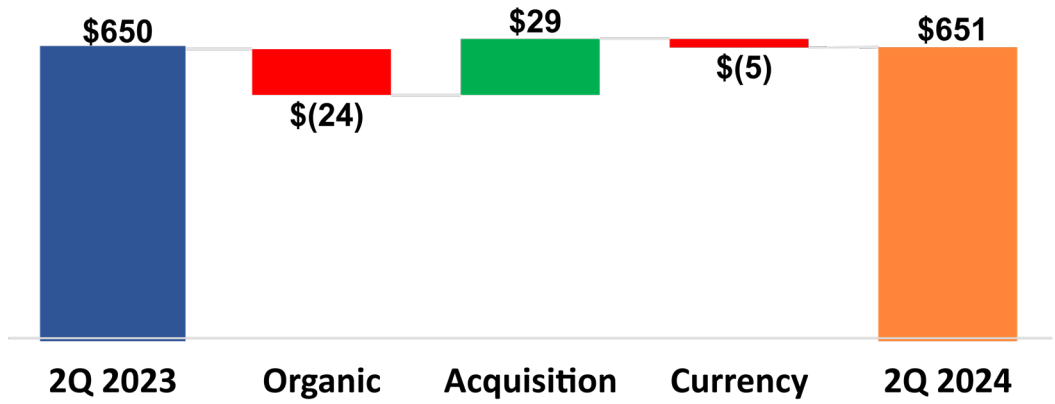
Sales

- Reported sales of $651 million, comparable to prior year
- 5% growth from ARAG acquisition
- 4% organic decrease driven by electronics, partially offset by growth in industrial coatings systems and fluid solutions product lines

EBITDA*

- EBITDA was $203 million, 31% of sales
- Flat as improved gross margins were offset by higher selling and administrative expenses primarily related to the acquisition of ARAG

2Q 2024 Sales Bridge**



	2Q 2023	2Q 2024	Δ
Sales	$650.2	$650.6	Flat
Operating Profit*	$176.0	$170.7	-3%
EBITDA*	$203.0	$203.4	Flat
EPS GAAP	$2.21	$2.05	-7%
EPS Adjusted*	$2.45	$2.34	-4%

*Non-GAAP numbers - See appendix for reconciliation. In millions except for per share data.
**Amounts may not add due to rounding.

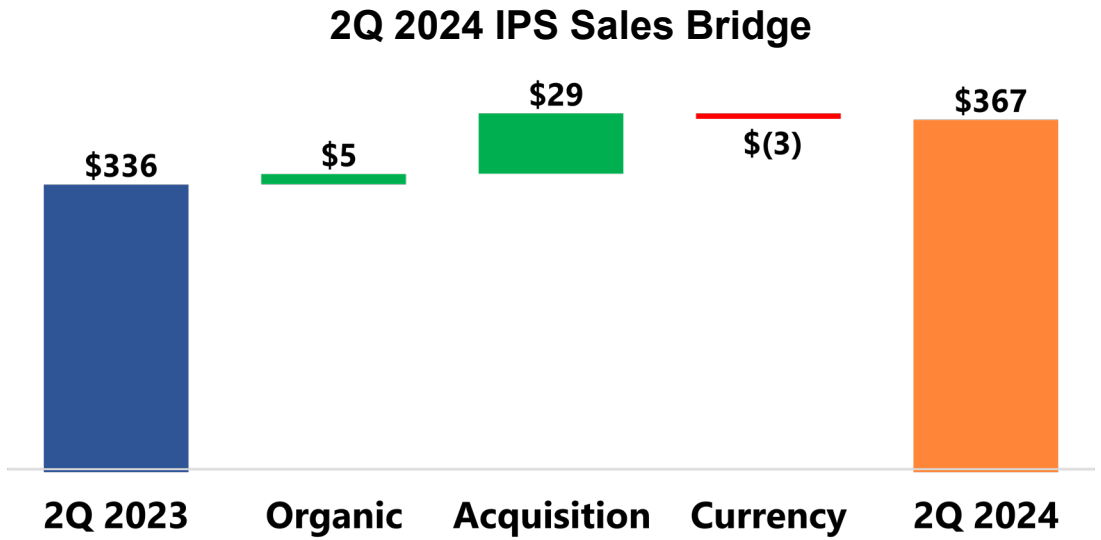
Industrial Precision Solutions – 2Q 2024

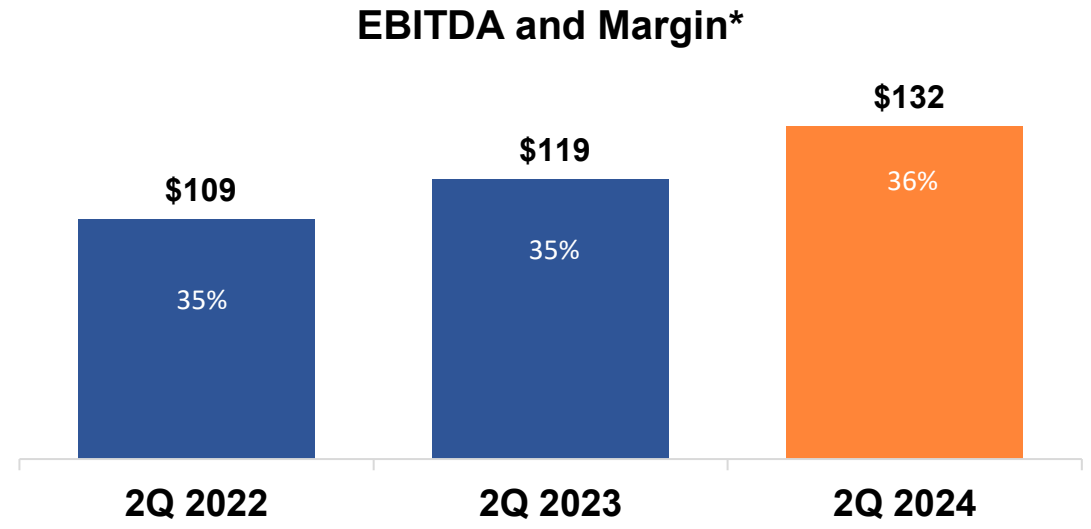
Sales

- Sales of $367 million, increased 9%
- Organic growth of 2% driven primarily by industrial coatings systems and packaging product lines

EBITDA*

- EBITDA was $132 million, or 36% of sales
- EBITDA growth driven by ARAG acquisition, organic sales growth and gross margin improvement





*Non-GAAP numbers – See appendix for reconciliation.

Medical and Fluid Solutions – 2Q 2024

Sales

- Sales of $169 million, increased 2%
- Organic sales increase of 2%
- Increase was driven by growth in the fluid and medical interventional solutions product lines

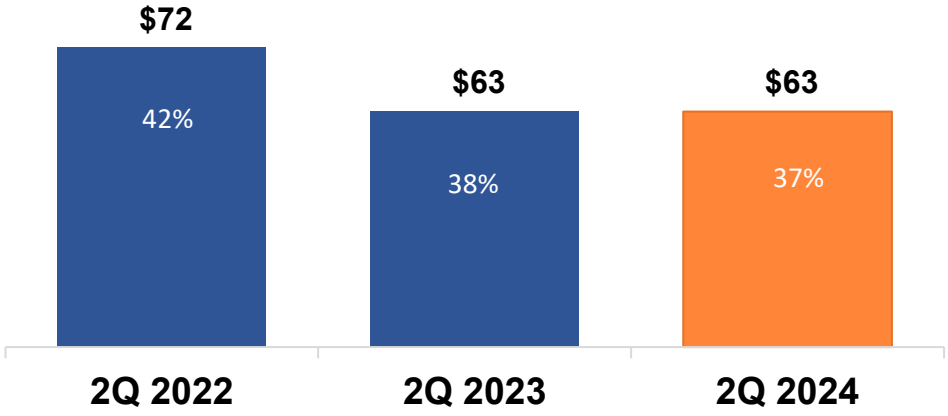
EBITDA*

- EBITDA was $63 million, 37% of sales
- Flat compared to prior year

2Q 2024 MFS Sales Bridge



EBITDA and Margin*



*Non-GAAP numbers – See appendix for reconciliation.

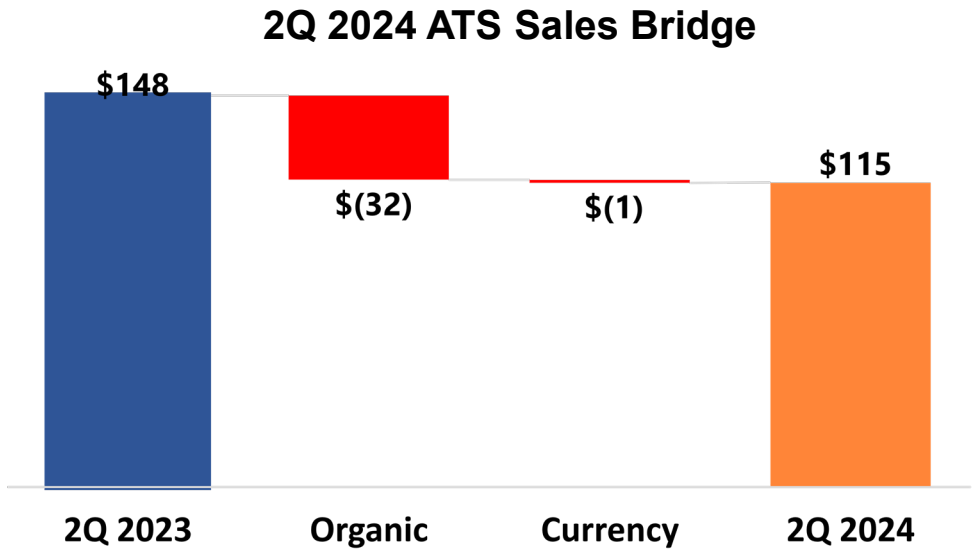
Advanced Technology Solutions – 2Q 2024

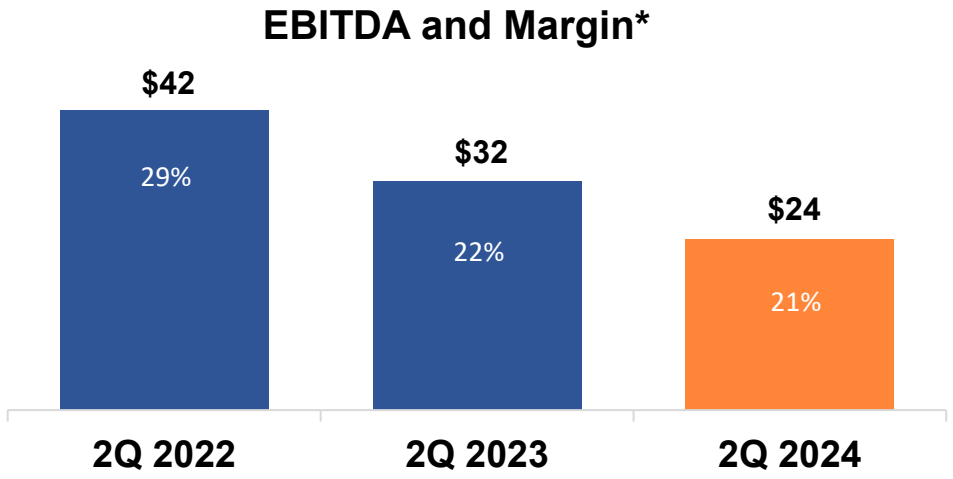
Sales

- Sales were $115 million, a 22% decrease
- The organic sales decrease was driven by weakness across the segment

EBITDA*

- EBITDA was $24 million, or 21% of sales
- Decrease was driven primarily by lower sales
- Strong decremental operating margin performance of 22%





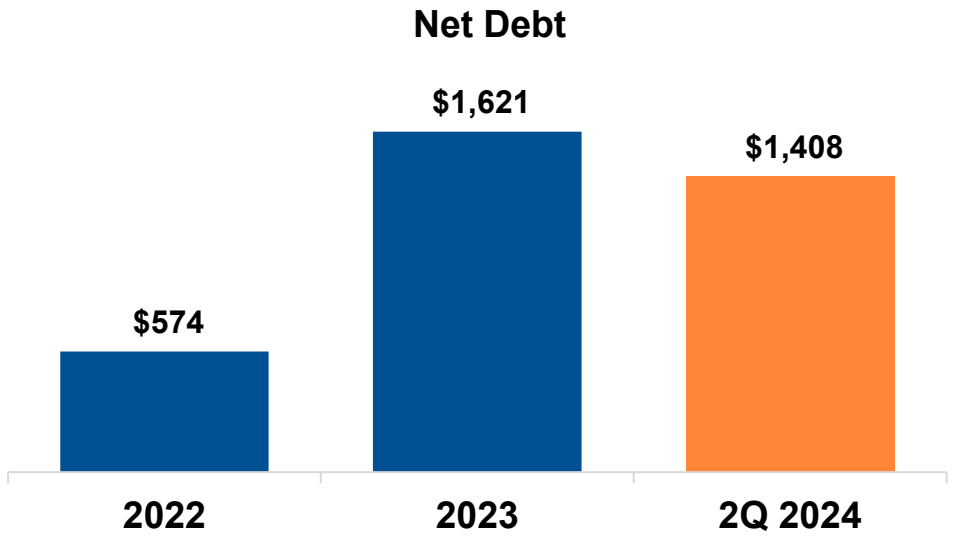
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Balance Sheet and Cash Flow

Strong Cash Flow with Sufficient Liquidity to Invest in Strategic Initiatives

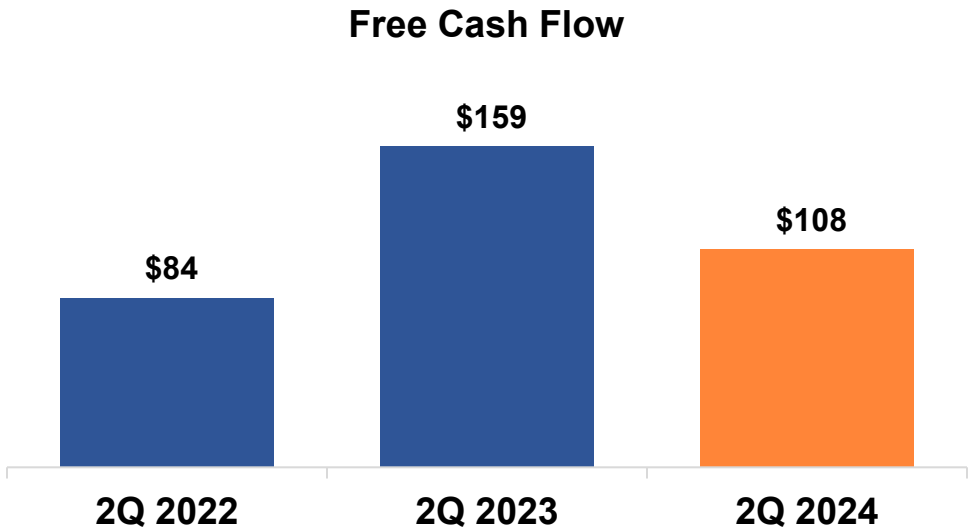
Net Debt

- Cash totaled $125 million
- Repaid ~$100 million of debt in the quarter
- 1.7 net debt leverage ratio based on trailing 12-month EBITDA



Free Cash Flow

- Free cash flow of $108 million, which is a conversion rate of 92% of net income
- Dividend payments of $39 million, reflective of 5% increase in annual dividend approved in 2023



End Market Visibility

Industrial Precision Solutions



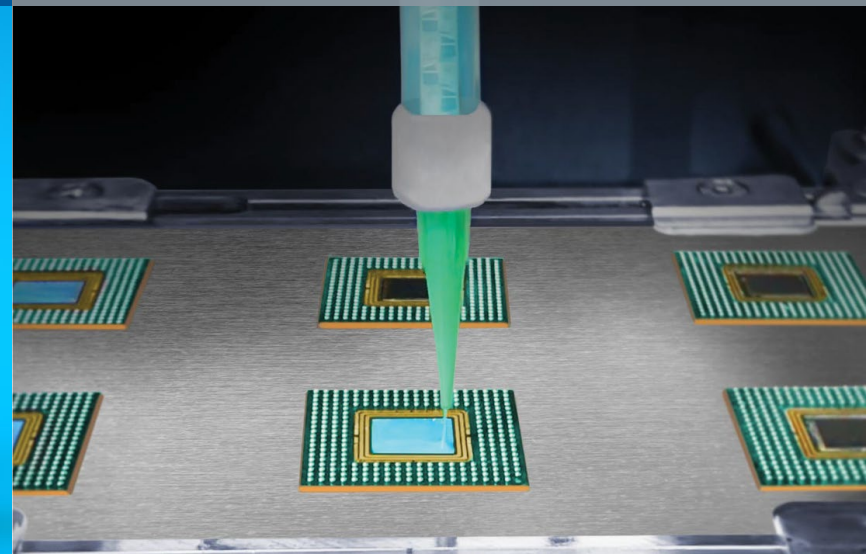
- Steady demand in industrials and consumer non-durable product lines
- Weakening demand in agricultural end market impacting 2024 ARAG performance
- Long-term trends remain solid

Medical and Fluid Solutions



- Sequential order-pick up in medical fluid components
- Fluid solutions products for industrial and electronics end market strengthening
- Medical interventional solutions dealing with challenging comparisons in 2H

Advanced Technology Solutions

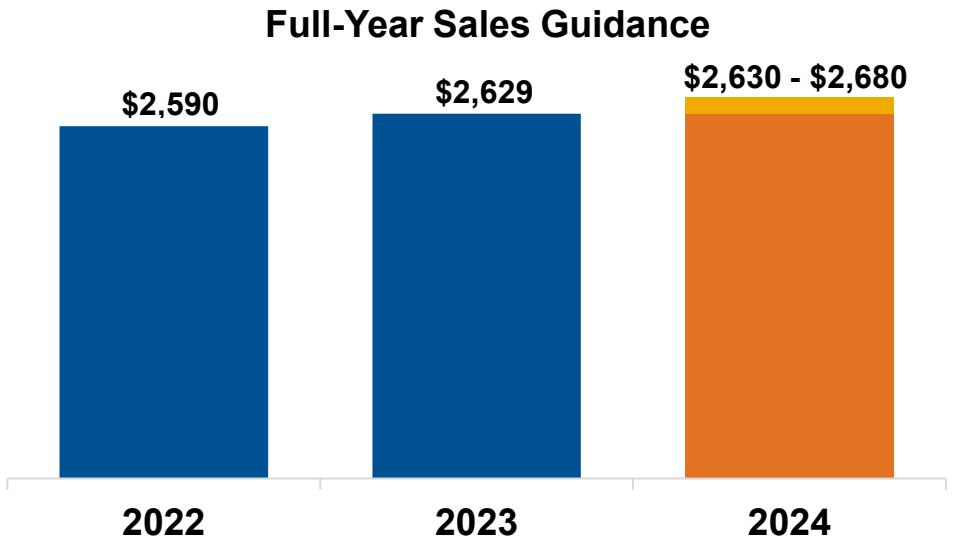


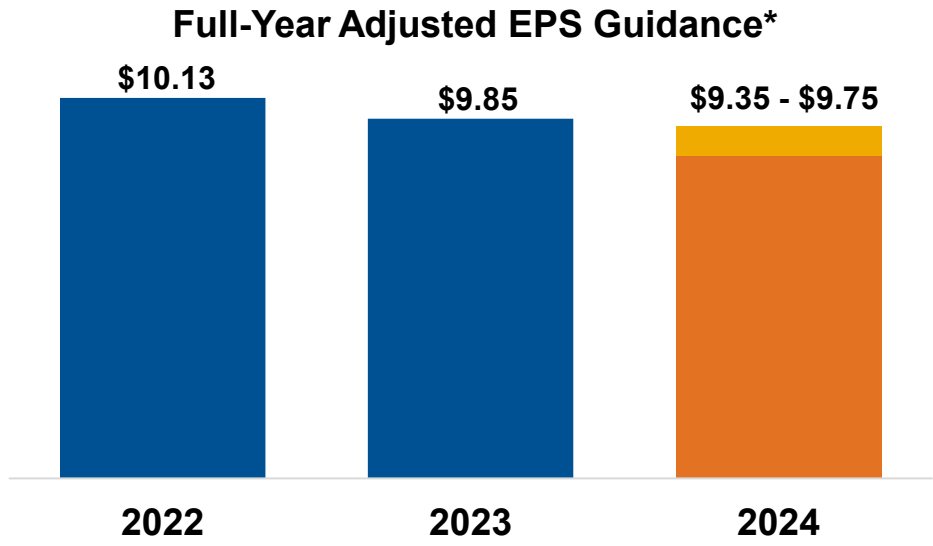
- Continued weakness in orders related to the electronics cycle
- Dispense products positioned in back-end of packaging process
- Long-term growth driven by AI, automotive electronics, onshoring, CHIPS Act and more

Full-Year Fiscal 2024 Guidance

Updating guidance

- Backlog continues to normalize at $700 million
- Fiscal 2024 sales of flat to 2% over record prior year
- Adjusted earnings in the range of $9.35 to $9.75



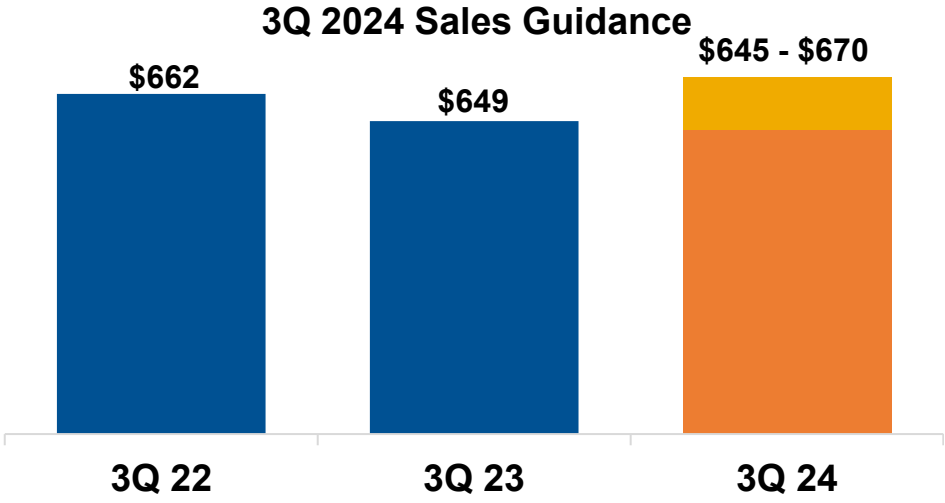


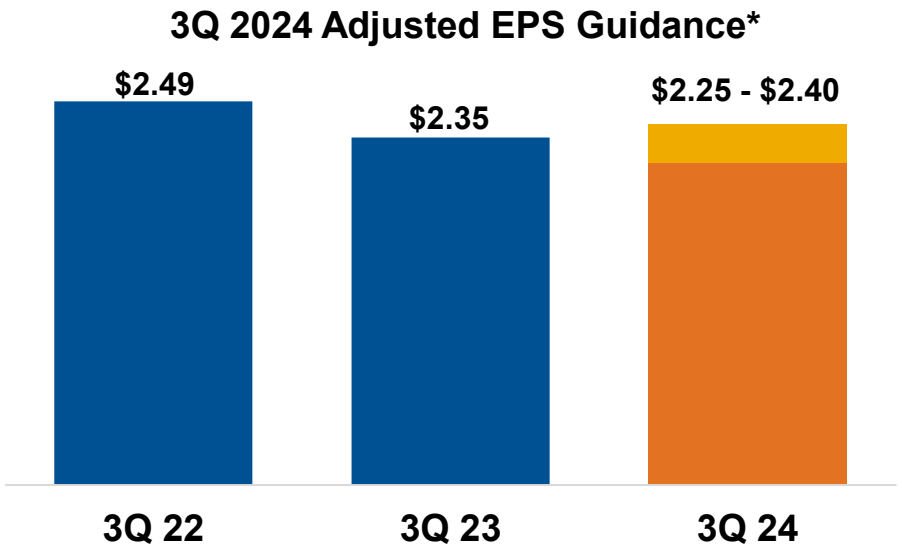
*Non-GAAP numbers - See appendix for reconciliation. In millions except for per share data.

3Q Fiscal 2024 Guidance

Steady performance moving into 3Q

- 3Q 24 sales of $645 - $670 million
- 3Q 24 adjusted earnings per share in the range of $2.25 - $2.40





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

Questions?

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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		Six Months Ended	
	April 30, 2024	April 30, 2023	April 30, 2024	April 30, 2023
Net income	$ 118,217	$ 127,563	227,789	231,824
Income taxes	31,059	34,064	60,186	60,883
Interest expense - net	18,555	9,475	38,953	19,418
Other expense - net	785	1,405	1,123	4,601
Depreciation and amortization	32,720	27,100	66,264	53,535
Inventory step-up amortization [1]	—	—	2,944	4,306
Severance and other	2,078	—	2,078	3,439
Acquisition-related costs [1]	—	3,439	597	5,989
EBITDA (non-GAAP) [2]	$ 203,414	$ 203,046	$ 399,934	$ 383,995

[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		Six Months Ended	
	April 30, 2024	April 30, 2023	April 30, 2024	April 30, 2023
SALES BY SEGMENT				
Industrial Precision Solutions	$ 366,991	$ 335,807	$ 721,538	$ 647,353
Medical and Fluid Solutions	168,966	166,526	328,492	320,813
Advanced Technology Solutions	114,685	147,832	233,805	292,476
Total sales	$ 650,642	$ 650,165	$1,283,835	$1,260,642
OPERATING PROFIT				
Industrial Precision Solutions	$ 117,831	$ 111,773	$ 226,195	$ 214,093
Medical and Fluid Solutions	48,993	47,922	95,093	87,307
Advanced Technology Solutions	18,784	26,090	37,822	43,053
Corporate	(16,992)	(13,278)	(31,059)	(27,727)
Total operating profit	$ 168,616	$ 172,507	$ 328,051	$ 316,726
OPERATING PROFIT ADJUSTMENTS [1]				
Industrial Precision Solutions	$ —	$ —	$ 3,541	$ —
Medical and Fluid Solutions	—	1,479	—	1,479
Advanced Technology Solutions	2,078	1,960	2,078	12,255
Total adjustments	$ 2,078	$ 3,439	$ 5,619	$ 13,734
DEPRECIATION & AMORTIZATION				
Industrial Precision Solutions	$ 13,920	$ 7,285	$ 28,300	$ 14,130
Medical and Fluid Solutions	13,564	13,683	27,269	27,308
Advanced Technology Solutions	3,284	4,010	6,725	7,822
Corporate	1,952	2,122	3,970	4,275
Total depreciation & amortization	$ 32,720	$ 27,100	$ 66,264	$ 53,535

EBITDA (NON-GAAP) [2]								
Industrial Precision Solutions	$ 131,751	36%	$ 119,058	35%	$ 258,036	36%	$ 228,223	35%
Medical and Fluid Solutions	62,557	37%	63,084	38%	122,362	37%	116,094	36%
Advanced Technology Solutions	24,146	21%	32,060	22%	46,625	20%	63,130	22%
Corporate	(15,040)		(11,156)		(27,089)		(23,452)	
Total EBITDA	$ 203,414	31%	$ 203,046	31%	$ 399,934	31%	$ 383,995	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		Six Months Ended	
	April 30, 2024	April 30, 2023	April 30, 2024	April 30, 2023
GAAP AS REPORTED				
Operating profit	$ 168,616	$ 172,507	$ 328,051	$ 316,726
Other / interest expense - net	(19,340)	(10,880)	(40,076)	(24,019)
Net income	118,217	127,563	227,789	231,824
Diluted earnings per share	$ 2.05	$ 2.21	$ 3.95	$ 4.02
Shares outstanding - diluted	57,681	57,680	57,617	57,721
OPERATING PROFIT ADJUSTMENTS				
Inventory step-up amortization	$ —	$ —	$ 2,944	$ 4,306
Acquisition-related costs	—	—	597	5,989
Severance and other	2,078	3,439	2,078	3,439
ACQUISITION AMORTIZATION OF INTANGIBLES	$ 18,823	$ 14,044	38,210	27,917
Total adjustments	$ 20,901	$ 17,483	$ 43,829	$ 41,651
Adjustments net of tax	$ 16,556	$ 13,798	$ 34,669	$ 32,988
EPS effect of adjustments and other discrete tax items	$ 0.29	$ 0.24	$ 0.60	$ 0.57
NON-GAAP MEASURES-ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE				
Adjusted Net income [1]	$ 134,773	$ 141,361	$ 262,458	$ 264,812
Adjusted Diluted earnings per share [2]	$ 2.34	$ 2.45	$ 4.55	$ 4.59

[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.