

Nordson

INVESTOR PRESENTATION

August 20, 2019 | NASDAQ: NDSN

Photo: Nordson Dage 4600 Bondtester 4600 carrying out a wire bond test on a battery pack.

Safe Harbor Statement
Under the Private Securities Litigation Reform Act of 1995

Information in this presentation may contain “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “projects,” or “potential” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters.

All statements regarding our future performance, earnings projections, events or developments are forward-looking statements. These forward-looking statements are made based on known events and circumstances at the time of release, and as such, are subject in the future to unforeseen uncertainties and risks that could cause actual results to differ materially from those contained in any forward-looking statement. Such risks and uncertainties are described under “Risk Factors” in Item 1A of our annual report on Form 10-K and any updates to those factors set forth in our subsequent quarterly reports on Form 10-Q or current reports on Form 8-K. We make these statements as of the date of this disclosure, and undertake no obligation to update them unless otherwise required by law.

Nordson



A premier industrial technology company focused on precision dispensing, fluid control and related processes and proprietary technology.

1954	$2.3B	$605M	7,500+	35+
Company Founded	*Sales	*EBITDA	Employees	Countries with Direct Presence

*Sales and EBITDA for the full fiscal year ended 10/31/18.

Investment Highlights

Strong Average Annual Sales Growth

8%

Average

2014-2018

Outstanding Gross Margins

55%

Gross Margins

Average
2014-2018

Excellent EBITDA Margins

25%

EBITDA Margin

Average
2014-2018

High Level of Free Cash Flow Before Dividends

$1.4B

101% of Net Income

2014-2018

Strong Cash Returns to Shareholders

$907M

Share Repurchases & Dividends

2014-2018

Reliable and Consistent Dividend

55 yrs

of Annual Increases

19% payout ratio in 2018

Outstanding Long Term Total Shareholder Returns

22%

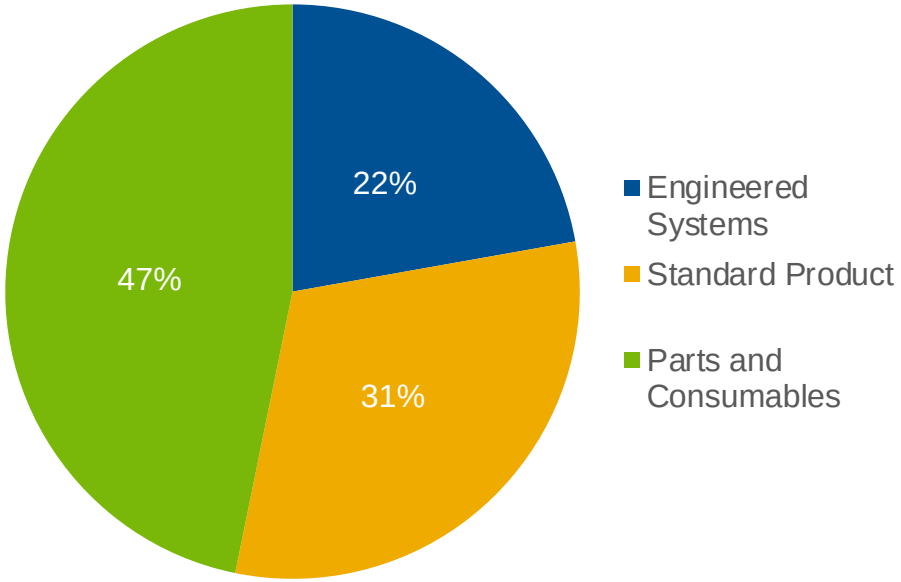
TSR CAGR

2008-2018

Diversified Sources of Sales

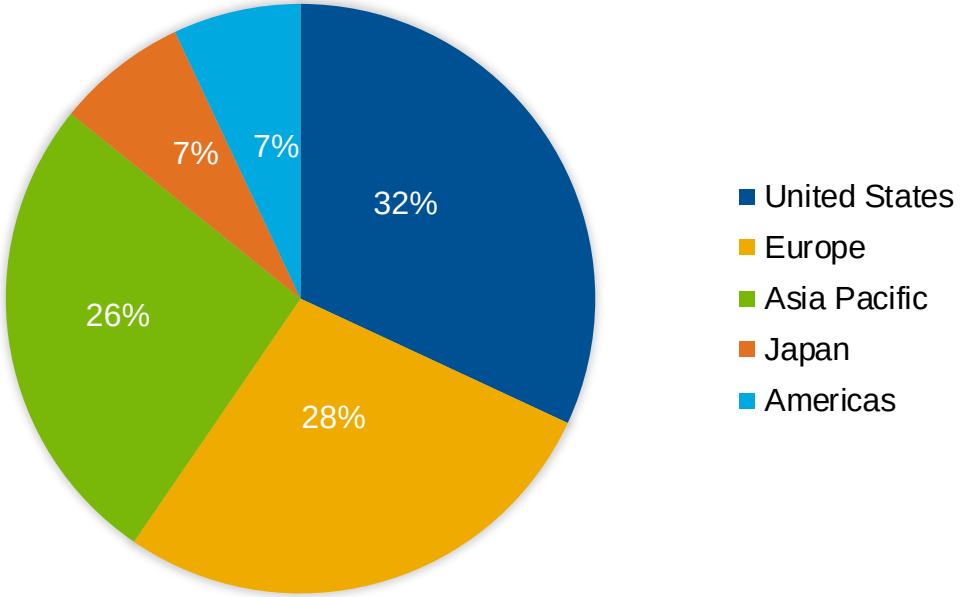
FY2018 Profile - $2.3 Billion

Product Type



High percentage of recurring sales from parts and consumables.

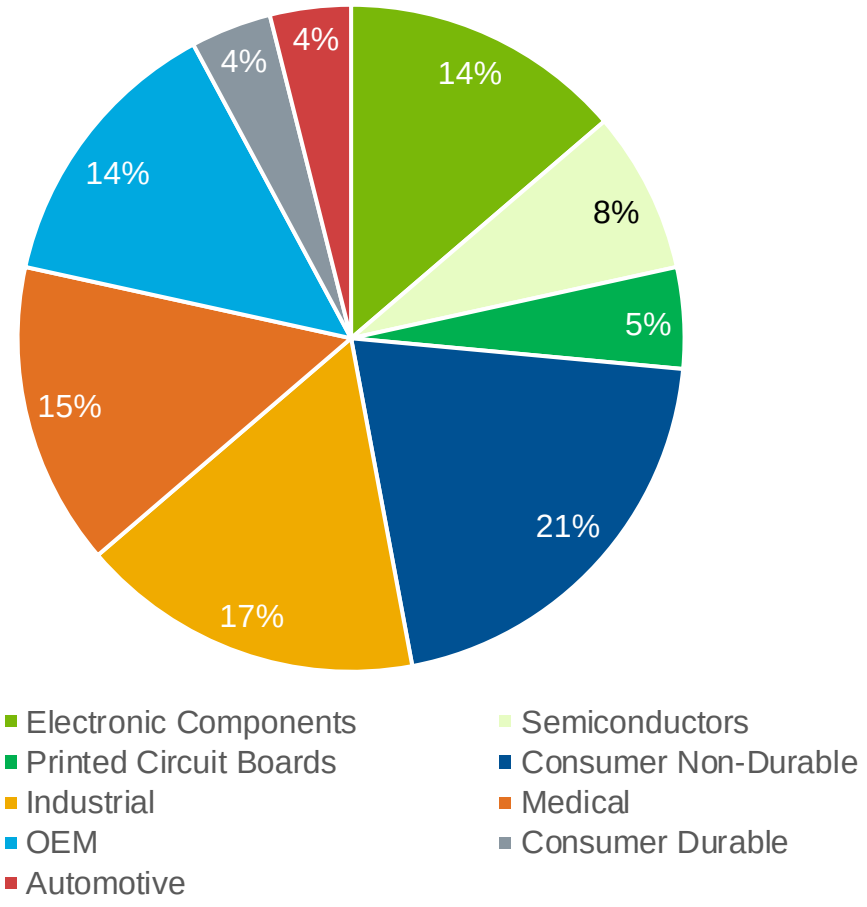
Geographies



Nearly 70% of sales outside USA. Direct presence in over 35 countries.

Diversified End Markets

FY Fiscal 2018 Profile - $2.3 Billion



*Percentages are for directional use only; may not add to 100% due to rounding.

End markets include:

- **Electronic Components:** computing, communications/mobile, consumer electronics (i.e., gaming, wearables, automotive electronics)
- **Semiconductors**
- **Printed Circuit Boards**
- **Consumer Non-Durable:** beverage, disposable hygiene, food, paper, textiles, packaging
- **Medical:** minimally invasive interventional delivery devices, catheters, medical balloons, fluid connection components, specialty tubing
- **Original Equipment Manufacturer (OEM)/Distributors:** Nordson products used to build manufacturing line, not end market specific
- **Industrial:** aerospace, chemical, construction, energy, farm and construction machinery, industrial machinery, rigid container, metal, transportation
- **Consumer Durable**: appliance, furniture, lighting
- **Automotive:** applications for new vehicle platforms

Nordson Business Segments



ADVANCED TECHNOLOGY SYSTEMS*
46%

Precision dispense, fluid management, surface treatment, test & inspection and proprietary solutions for electronics, medical and general industrial end markets.

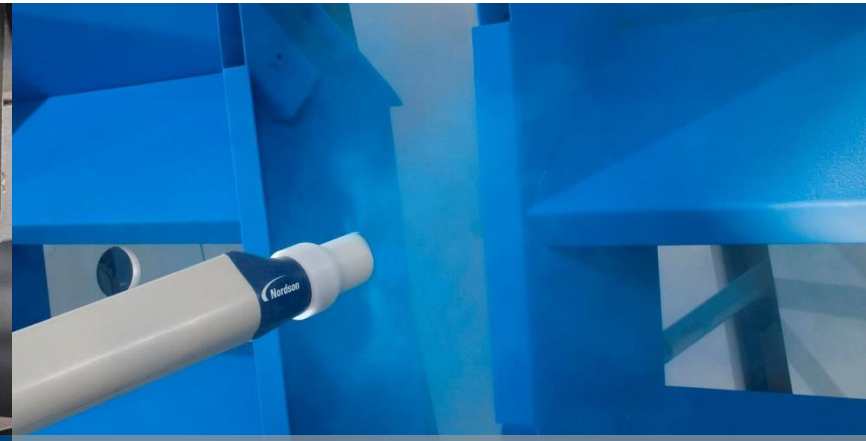
Targeted organic growth rate:
2-3x Global GDP



ADHESIVE DISPENSING SYSTEMS*
42%

Hot melt dispense solutions for recession-resistant, consumer non-durable end markets. Additional components for use in the thermoplastic melt stream.

Targeted organic growth rate:
1.5-2x Global GDP



INDUSTRIAL COATINGS SYSTEMS*
12%

Standard and highly-engineered systems used primarily for applying coatings, paint, finishes, sealants, and more, for the consumer durable goods and industrial end markets.

Targeted organic growth rate:
Global GDP+

*Segment mix for the full fiscal year ended 10/31/18.

Advanced Technology Systems

15.4%

2014-18 Average Annual Sales Growth

23.4%

2018 Annual Operating Margin

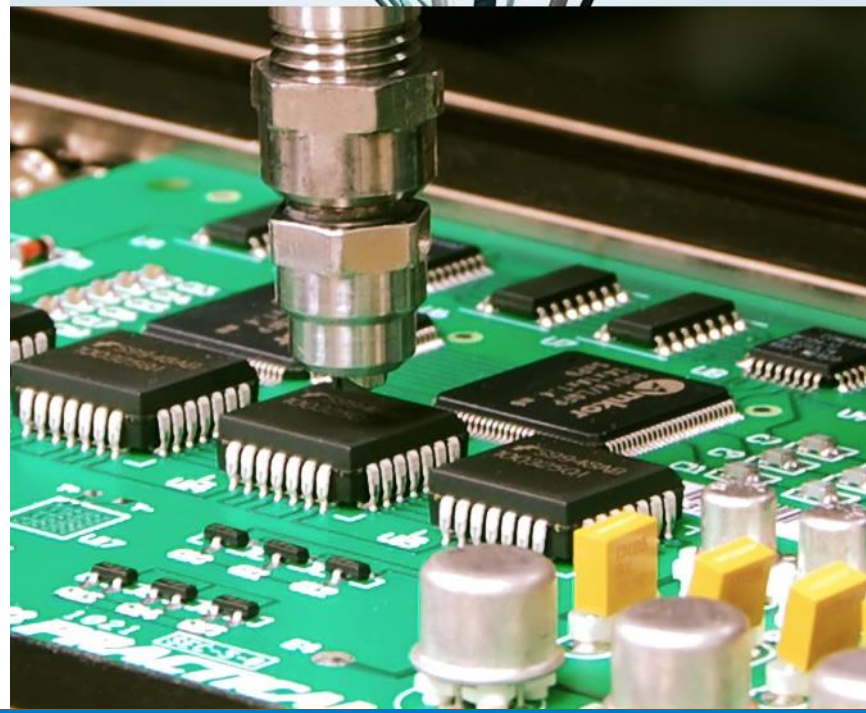
What We Do

Precision dispense, fluid management, test, inspection, surface treatment and proprietary solutions for medical, electronics and general industrial markets.

2-3X Global GDP Growth Driven by:

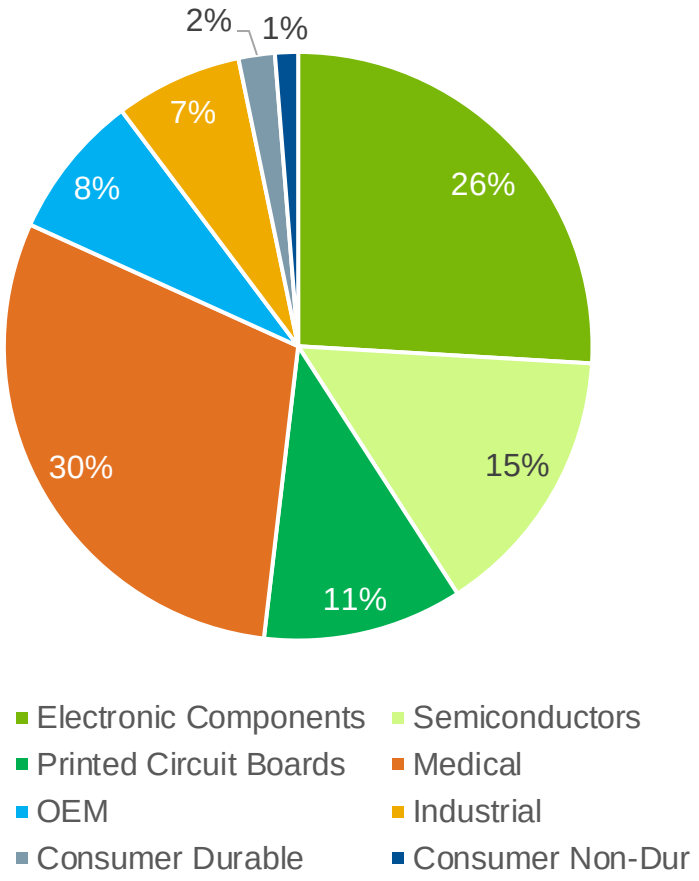
- Medical – Aging population, trends toward non-invasive surgical techniques and medical OEM outsourcing
- Broad product use across the electronics supply chain from integrated circuit to printed circuit board to end product assembly
- Circuit shrinkage / new architectures / flip chips
- New applications including automotive electronics, electric batteries, and flexible circuits
- Emerging markets
- Product tiering





Advanced Technology

FY Fiscal 2018 Profile – Diverse End Markets



End markets include:

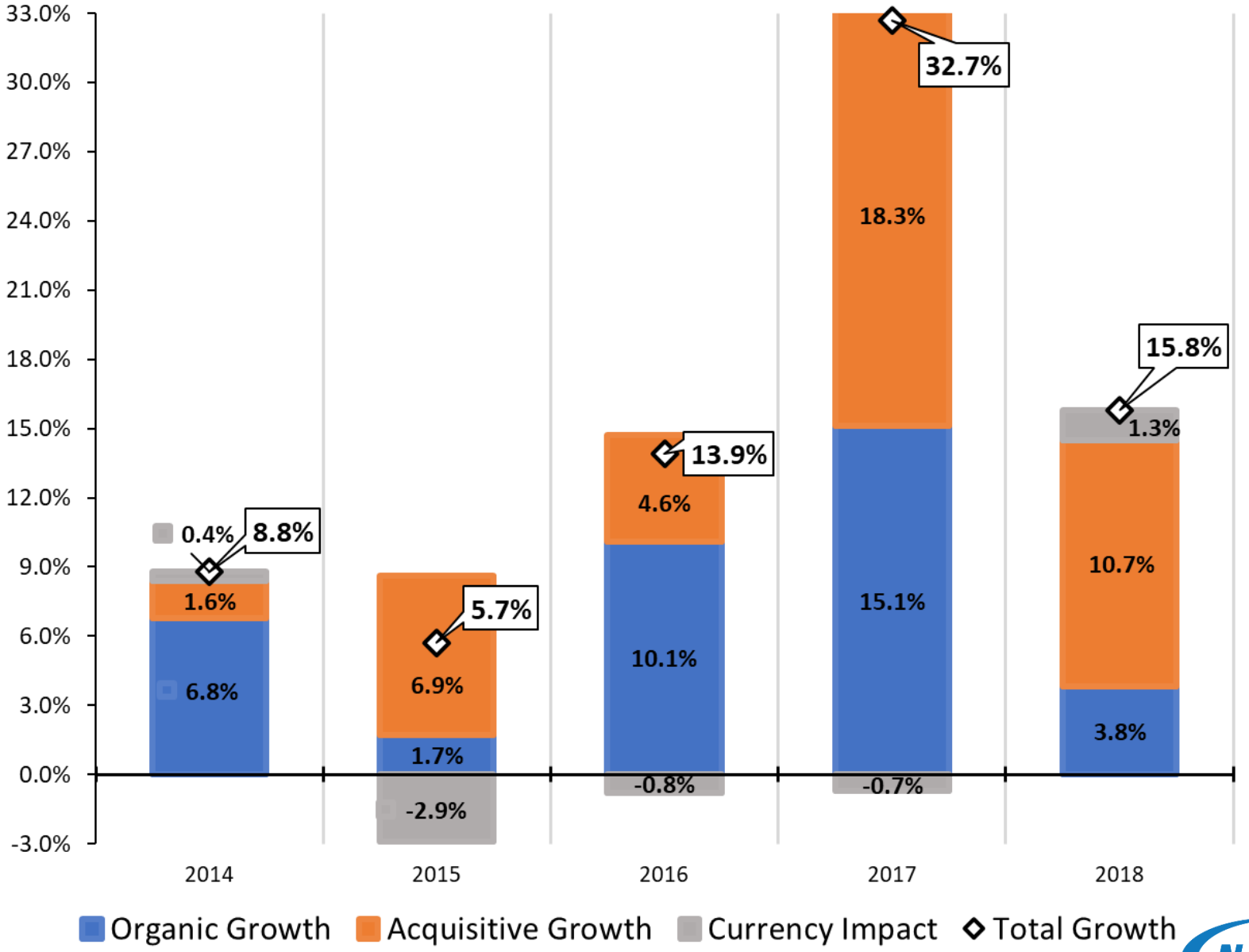
- **Electronics:** electronic components (i.e., computing; communications/mobile; consumer electronics – gaming, wearables; automotive electronics), semiconductors, printed circuit boards
- **Medical:** minimally invasive interventional delivery devices, catheters, medical balloons, fluid connection components, specialty tubing
- **OEM/Distributor:** Nordson products used to build manufacturing line, not end market specific
- **Industrial:** aerospace, construction, defense, energy, industrial machinery
- **Consumer Durable**: general applications (i.e., furniture, lighting)
- **Consumer Non-Durable:** disposable hygiene, food, textiles

**Percentages are for directional use only*

Advanced Technology Systems

Strong topline growth

Creating our own demand through innovation, new applications, emerging markets and product tiering, as well as an active acquisition diversification strategy drive strong sales growth.



Adhesive Dispensing Systems

4.0%

2014-18 Average Annual Sales Growth

27.2%

2018 Annual Operating Margin

What We Do

Products to melt, filter, pump, transport, dispense and deposit adhesives, polymers and other materials in the manufacturing of a wide range of goods.

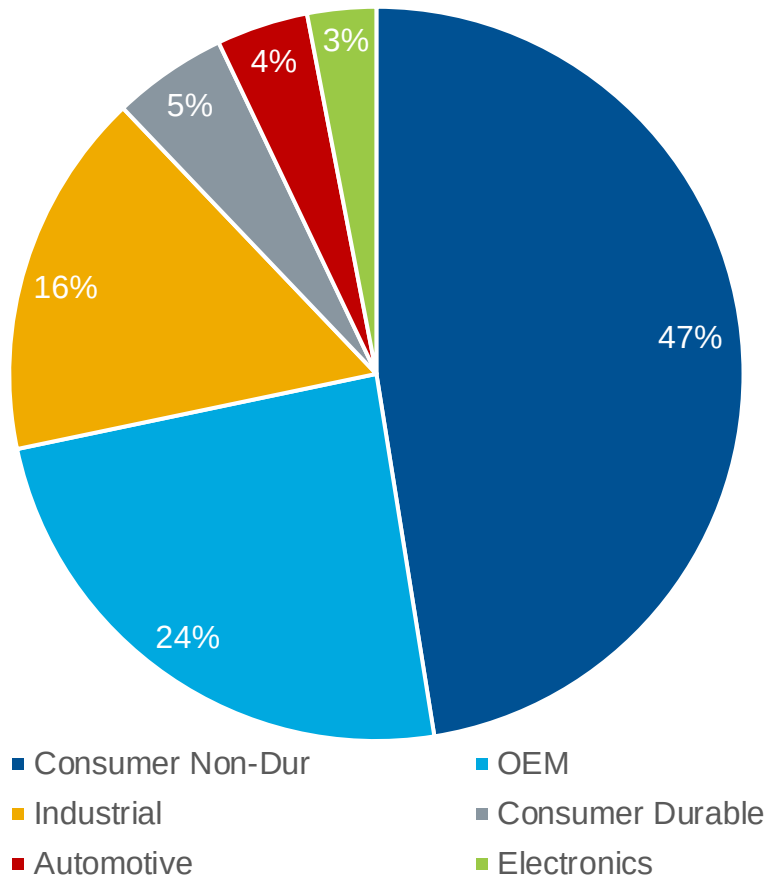
1.5-2X Global GDP Growth Driven By:

- Increased use of disposable hygiene products (diapers, feminine care, etc.) and packaged convenience foods and plastics; demand increase driven by growing middle class
- Recapitalization of large installed base
- Productivity and efficiency investments
- New applications, including electric battery and fabric bonding
- Material, machinery and process innovations
- Emerging markets
- Product tiering



Adhesive Dispensing

FY Fiscal 2018 Profile – Diverse end markets



*Percentages are for directional use only

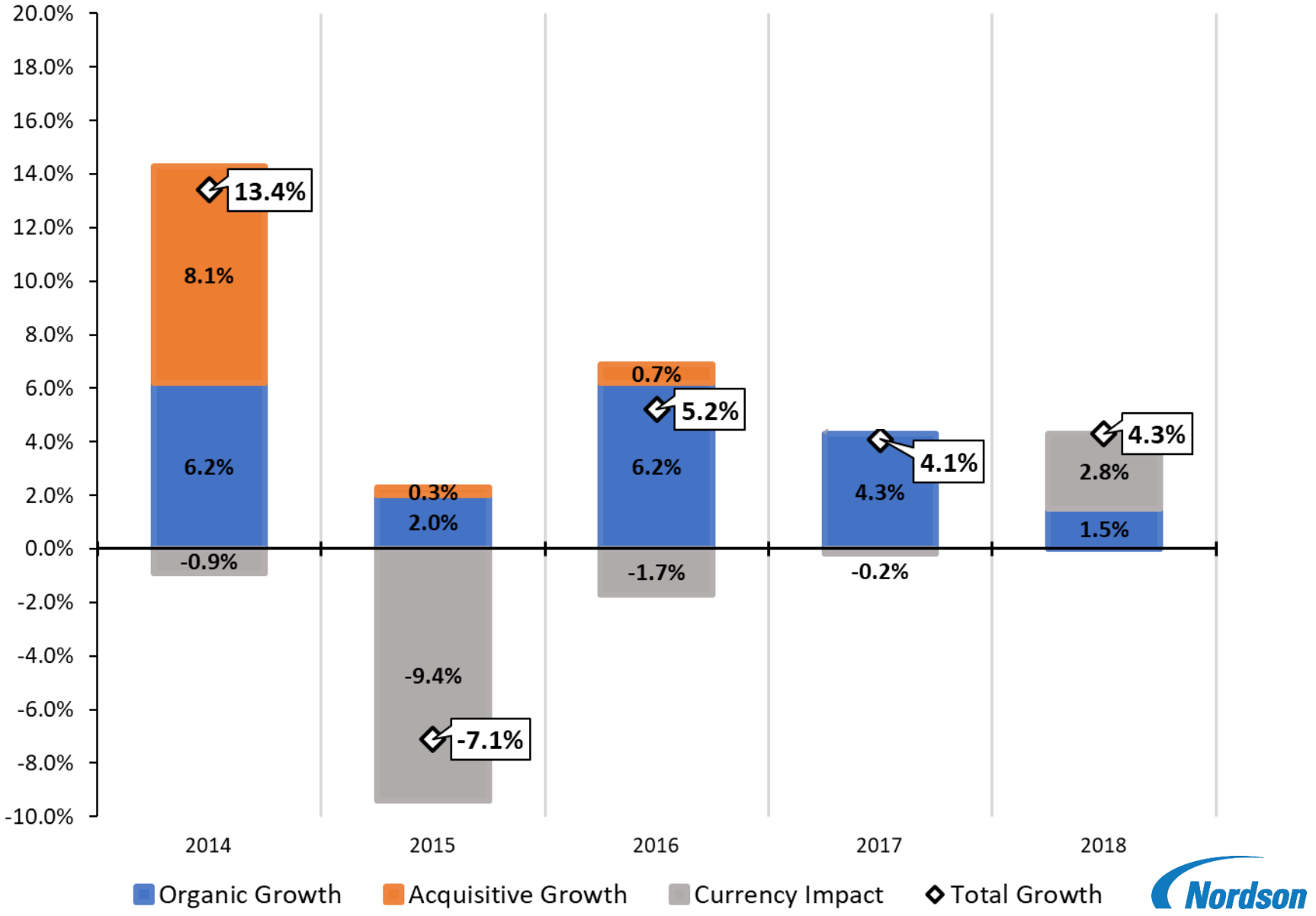
End markets include:

- **Consumer Non-Durable:** beverage, disposable hygiene, food, paper, textiles, non-wovens, packaging
- **OEM/Distributor:** Nordson products used to build manufacturing line, not end market specific
- **Industrial:** aerospace, chemical, construction, defense, energy, farm and construction machinery, industrial machinery, rigid container, metal, transportation
- **Consumer Durable**: appliance, furniture, lighting
- **Automotive:** applications for new vehicle platforms
- **Electronics:** electronic products (i.e., wearables), printed circuit boards

Adhesive Dispensing Systems

Stable Organic Growth

Strong track record of organic growth driven by large percentage of consumer non-durable end markets and growth initiatives, including recapitalization, emerging markets and product tiering.



Industrial Coatings Systems

2.3%

2014-18 Average Annual Sales Growth

19.5%

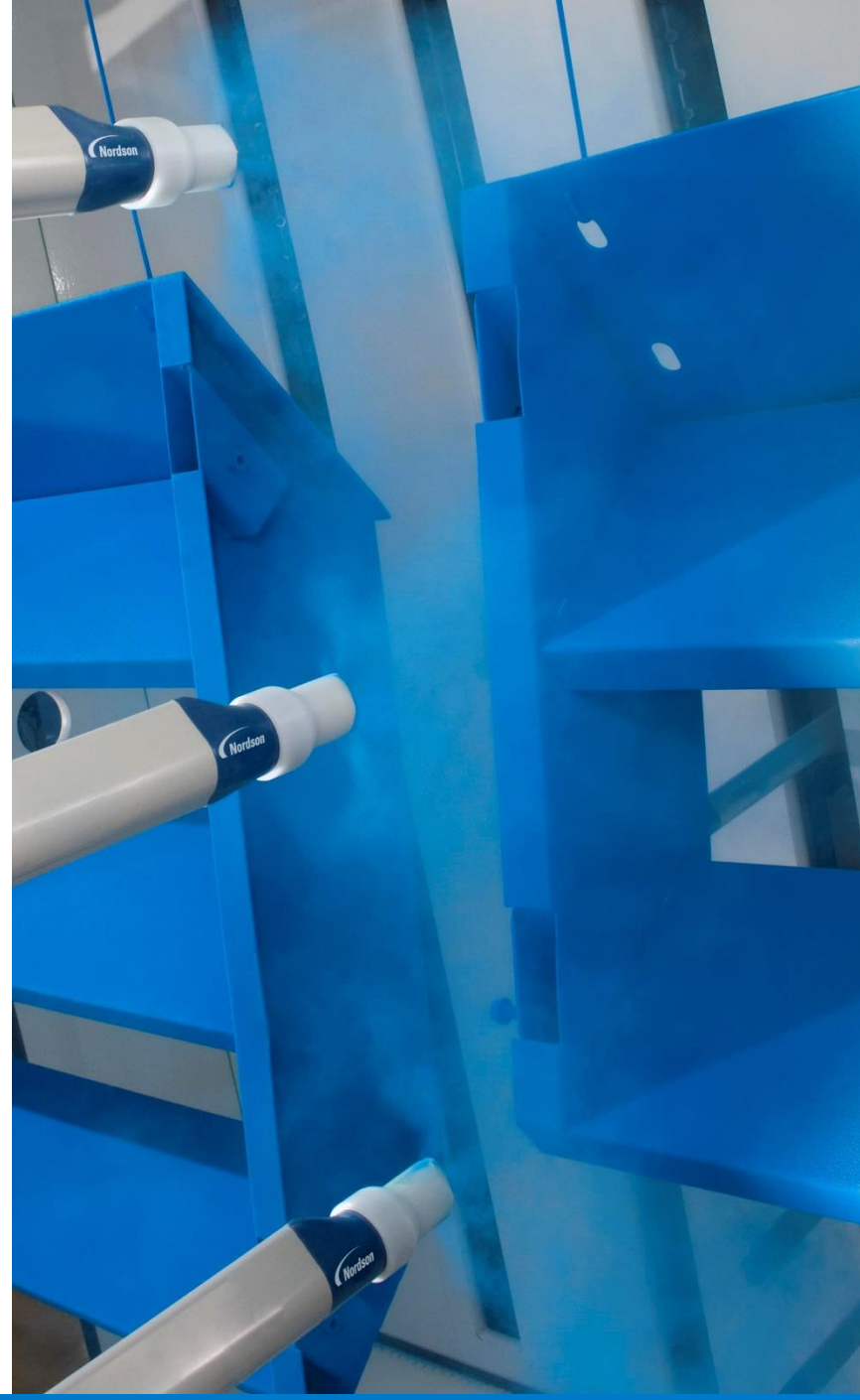
2018 Annual Operating Margin

What We Do

Precision equipment and systems to apply and cure paints, sealants, coatings, ambient temperature adhesives, and other materials to a wide range of products.

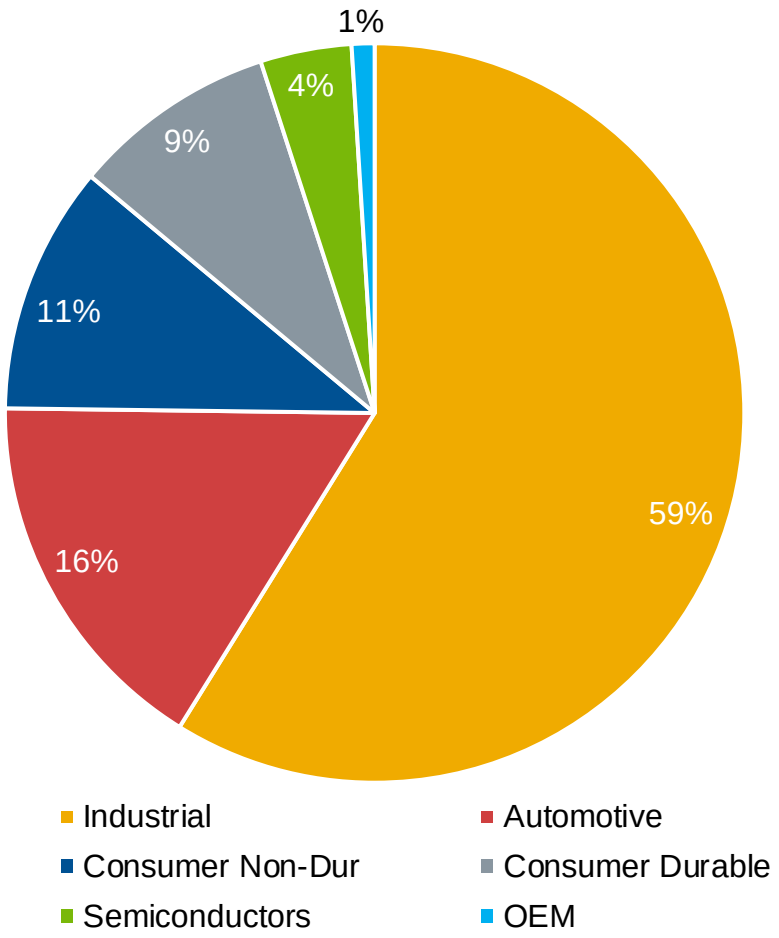
GDP+ Growth Driven By:

- Environmental advantages of powder coatings
- Adhesives replacing mechanical fasteners
- Light-weighting of vehicles
- Productivity investments
- Quick color change
- Product tiering
- Diverse end markets, including appliance, lawn and garden, food and beverage, aerospace, automotive assembly, and more



Industrial Coatings

FY Fiscal 2018 Profile – Diverse end markets



End markets include:

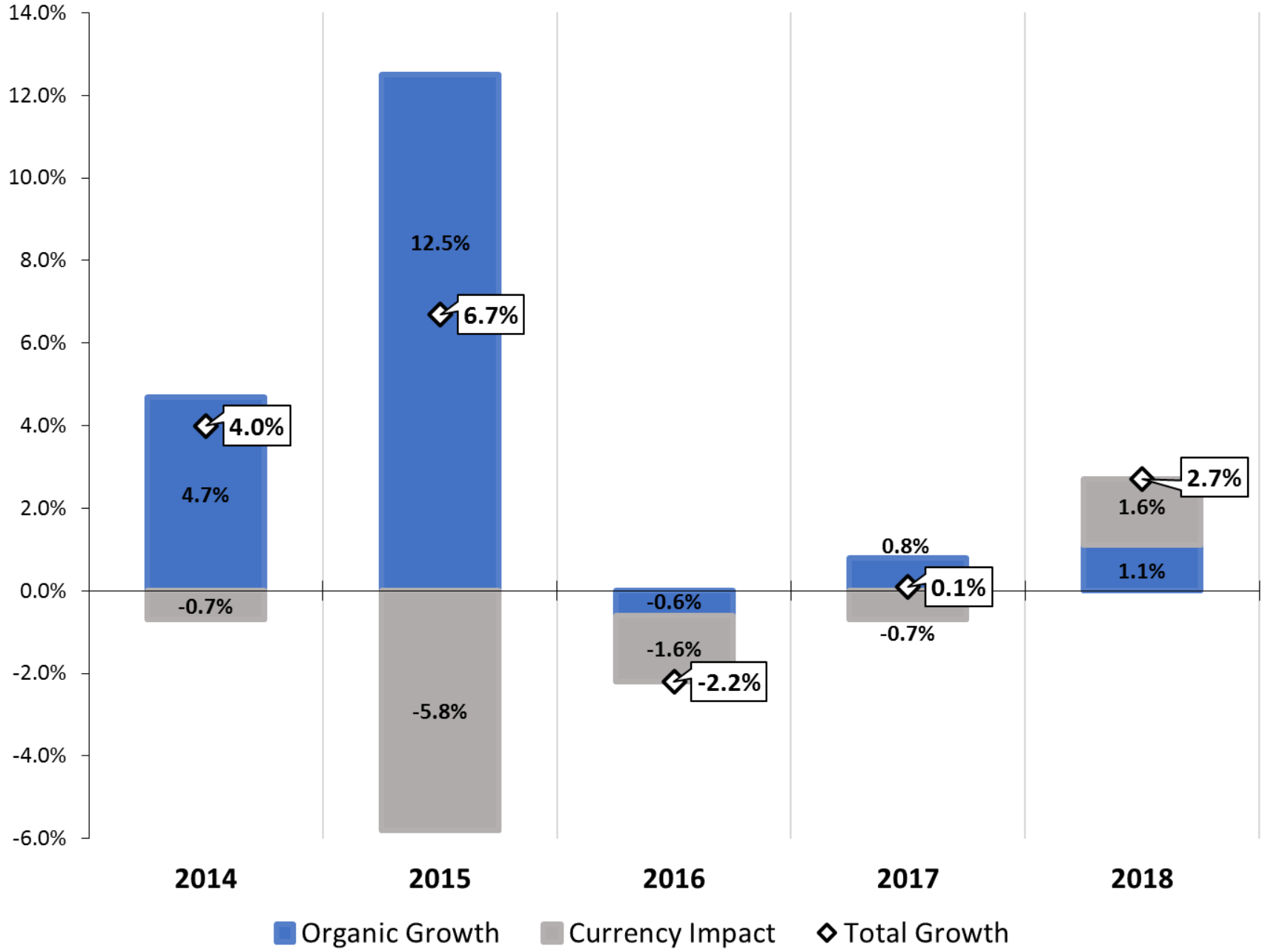
- **Industrial:** aerospace, chemical, construction, defense, energy, farm and construction machinery, industrial machinery, rigid container, metal
- **Automotive:** applications for new vehicle platforms; upgrades of current vehicle lines
- **Consumer Non-Durable:** beverage, food, general applications
- **Consumer Durable**: appliance, furniture
- **Semiconductors:** UV curing of semi-conductor wafers
- **OEM/Distributor:** Nordson products used to build manufacturing line, not end market specific

**Percentages are for directional use only*

Industrial Coatings Systems

Consistent Top Line Growth

Sales growth opportunities in mature and emerging markets, as well as new applications.



Why Invest in Nordson?

Our Priorities

Our plan is to deliver top shareholder returns by growing and extending our high value business model in precision dispensing and adjacent technologies.



1. Accelerate organic growth
2. Diversify through acquisitions
3. Further optimize the business
4. Cultures and Values

1 Organic Growth

We expect to accelerate organic growth by creating our own demand.



Multiple Paths to Organic Growth:

1. New Products
2. New Applications
3. Recapitalize Installed Base
4. Emerging Markets
5. Product Tiering

Reported Organic Sales Growth (2014-2018):

5% Average Annual Growth

2 Key Acquisitions

Additional growth comes through the acquisition of companies that share our business model characteristics and can leverage our global infrastructure.



Key Criteria for Acquisitions:

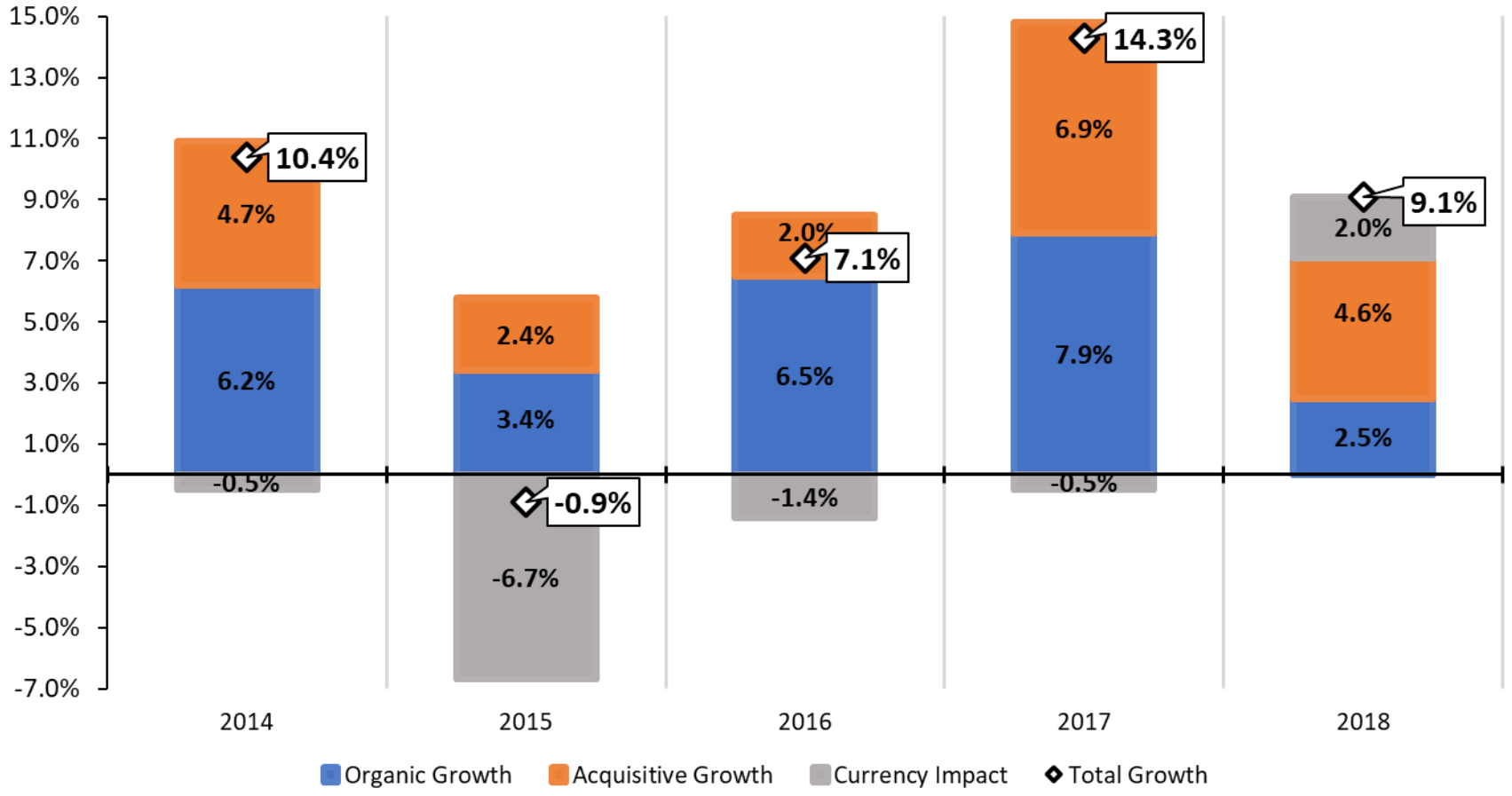
1. Strategic Fit
2. High Quality Businesses: Strong Performers & Proprietary Technology
3. Growth Rate at or Above Nordson
4. High % of Recurring Sales
5. Sales and Cost Synergies

Sales Growth from Acquisitions (2014-2018):

4% Average Annual Growth

Strong Growth: Organic and Acquisitive

On average across the past five years, Nordson has delivered annual sales growth of 8 percent, inclusive of 5 percent organic growth, 4 percent growth related to the first year effects of acquisitions and a decrease of 1 percent related to the unfavorable effects of foreign currency.



3 Optimize Business

Driving continuous improvements across the organization.



Key Performance Indicators:

1. Growth Initiatives
2. Price Effectiveness
3. Cost Reduction Initiatives
4. Cost of Poor Quality
5. Customer Delivery Performance
6. Days of Sales in Inventory
7. Productivity
8. Sales from New Products

4 Culture & Values

We have a long and proud history of investing in the communities where we live and work. We invest approximately five percent of domestic pretax earnings to human welfare services, education and other charitable activities.



Our Commitment to Giving Back:

1. Over $100M in overall giving to date
2. Nearly 100K total hours volunteered
3. $2.4M towards BUILDS scholarships
4. Investing in locations where we have significant operations (over 20 communities in the United States and 11 countries)

Nordson

Financial Results

Fiscal 3Q2019 Results & FY2019 Guidance

3QF19 Results

$560M	$130M	$158M	$1.62	$55M
Sales	**Operating Profit** (23% of Sales)	**EBITDA** (28% of Sales)	**GAAP Diluted EPS**	**Free Cash Flow Before Dividends** (59% of net income)

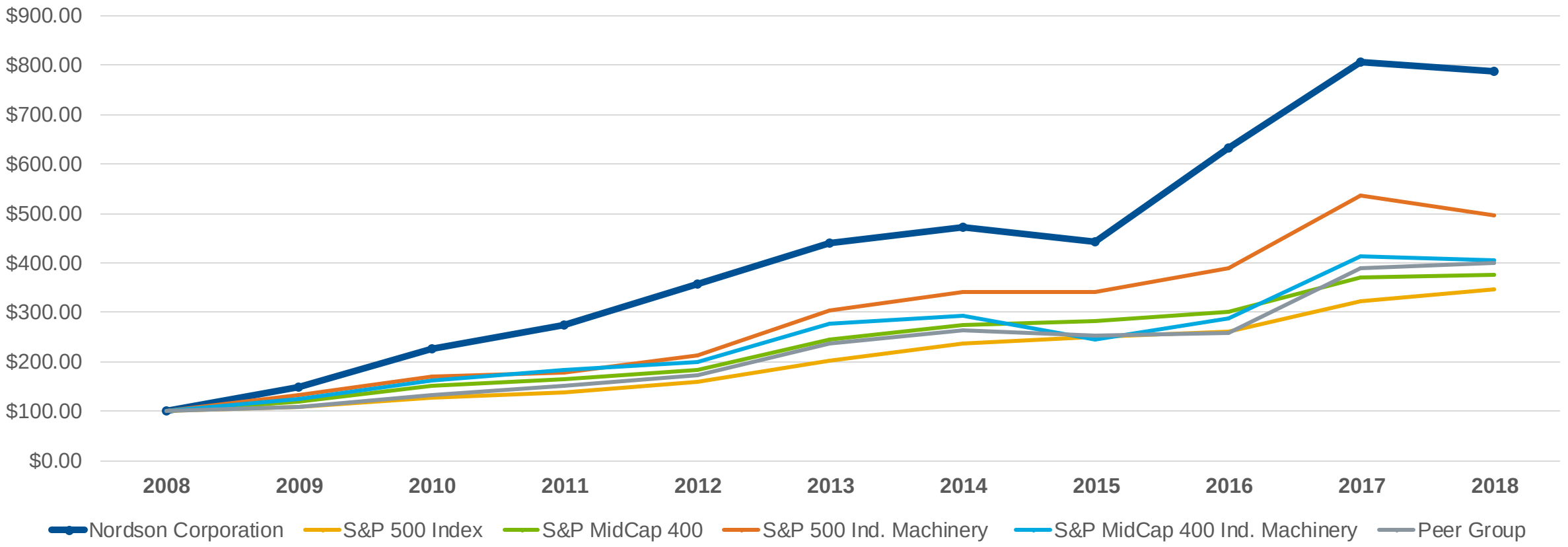
2019 Guidance

- Flat to modest organic sales volume growth compared to Fiscal 2018
- Flat to modest improvement of operating margin and EBITDA margin compared to Fiscal 2018
- Interest expense expected to be appx. $45 million
- Maintenance capital expenditures expected to be appx. $50 million
- Estimated effective tax rate 23 percent

Nordson

Total Shareholder Return Above Our Peers

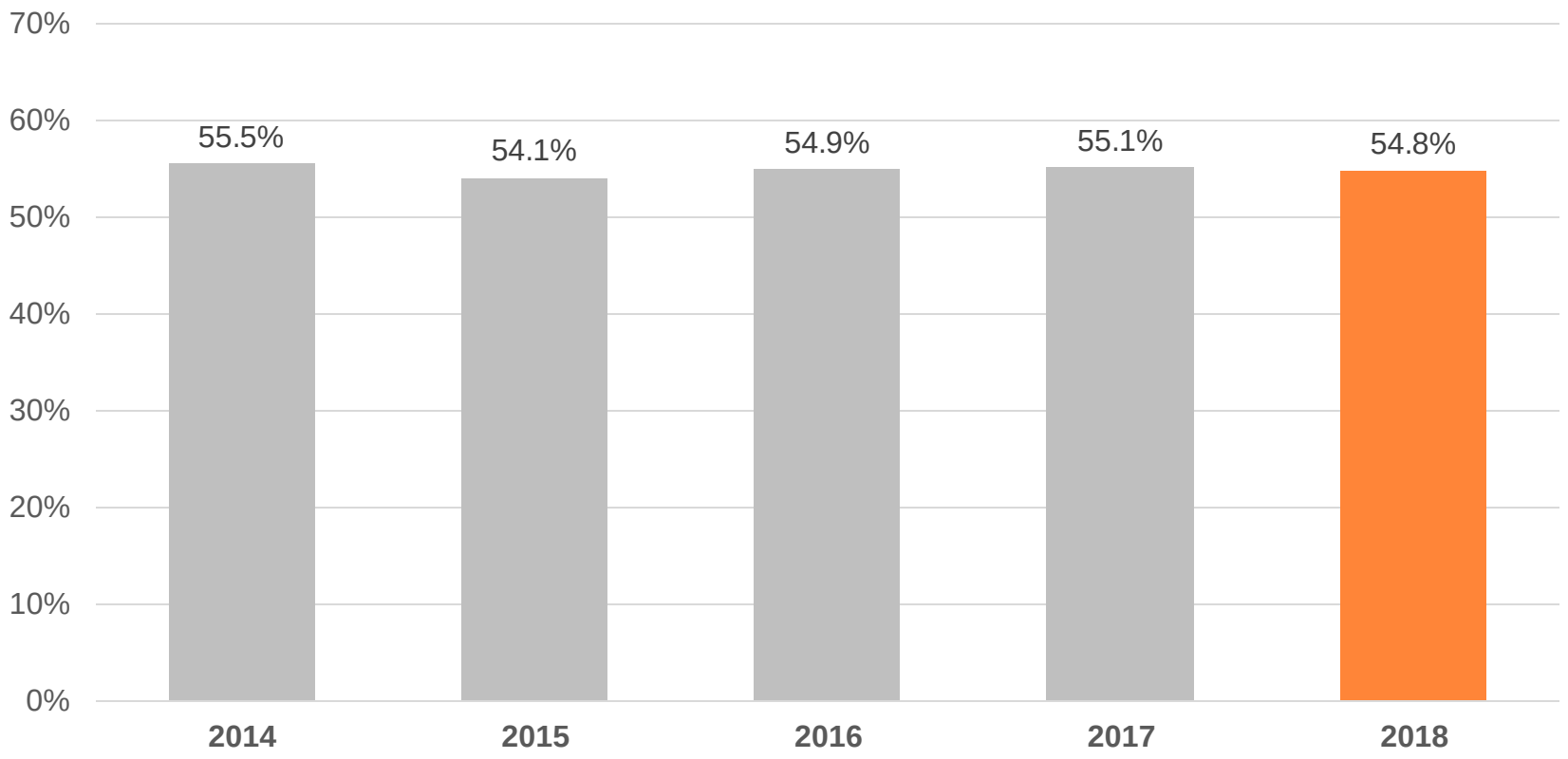
Comparison of 10 Year Cumulative Total Return



Assumes Initial Investment of $100 on November 1, 2008
Fiscal Year Ending October 31, 2018
Source: Zack's Investment Research

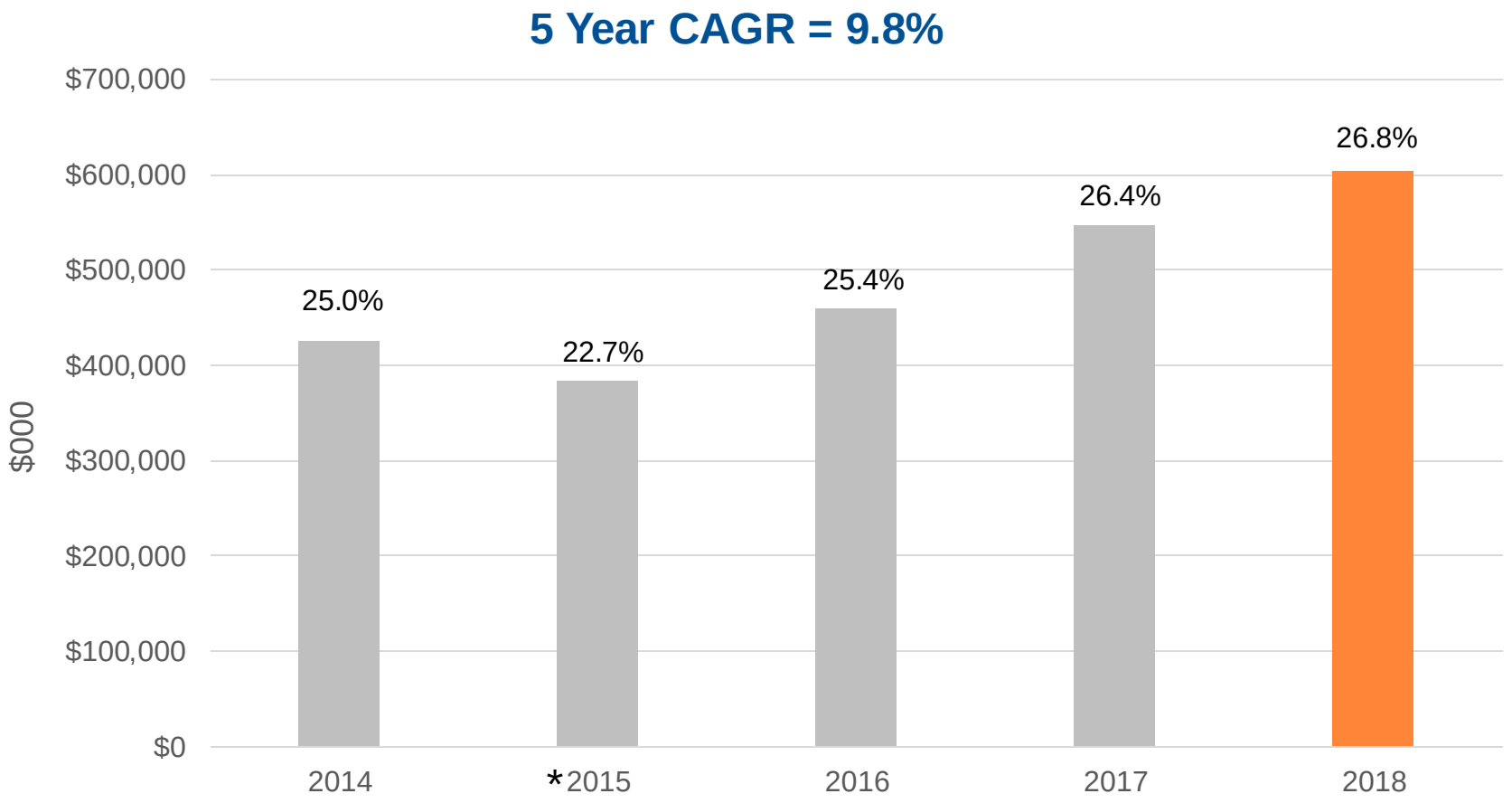
Industry Leading Gross Margins

Consistently Mid 50s



Strong EBITDA Margins

Continuous Improvement Initiatives

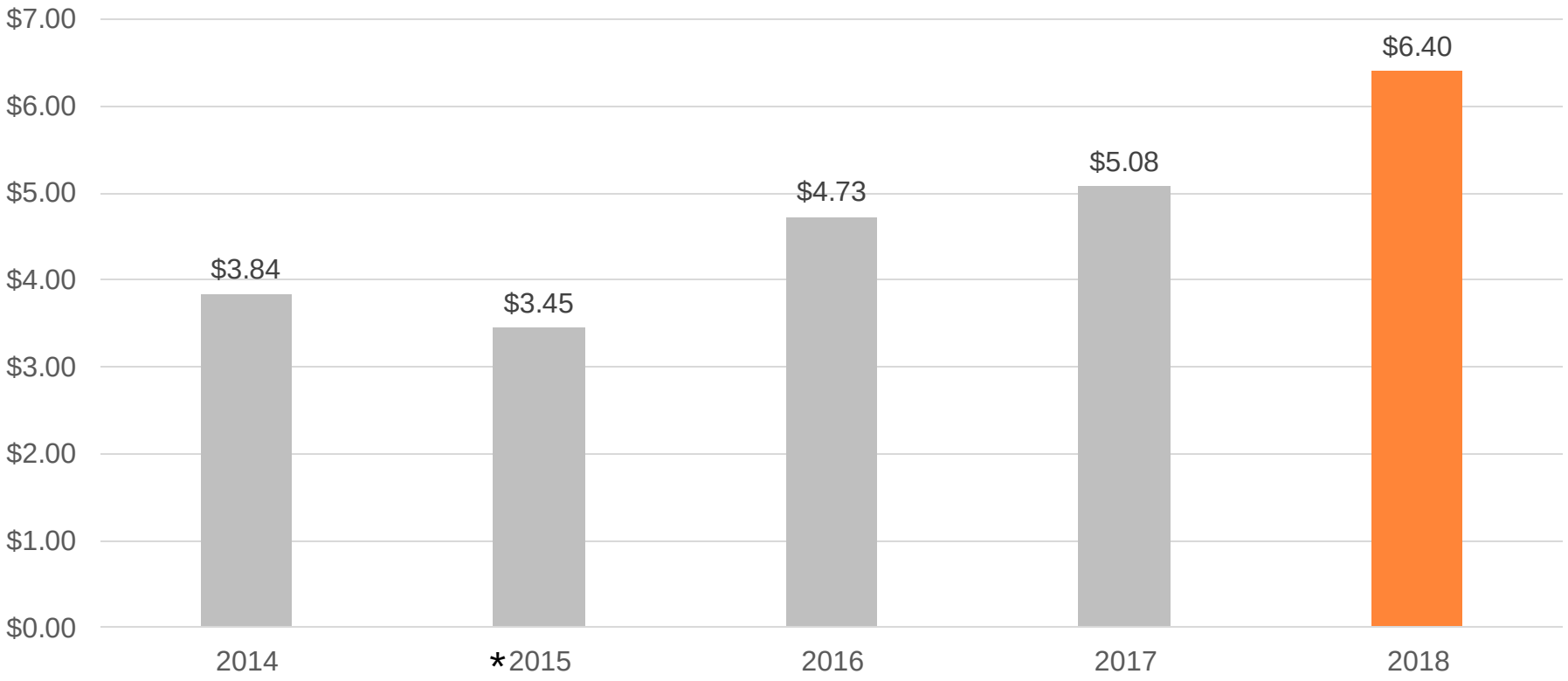


*FY15 results impacted by significant negative currency translation effects compared to the prior year.

EPS Growth

High gross margins lead to significant volume leverage

5 Year CAGR = 13.4%

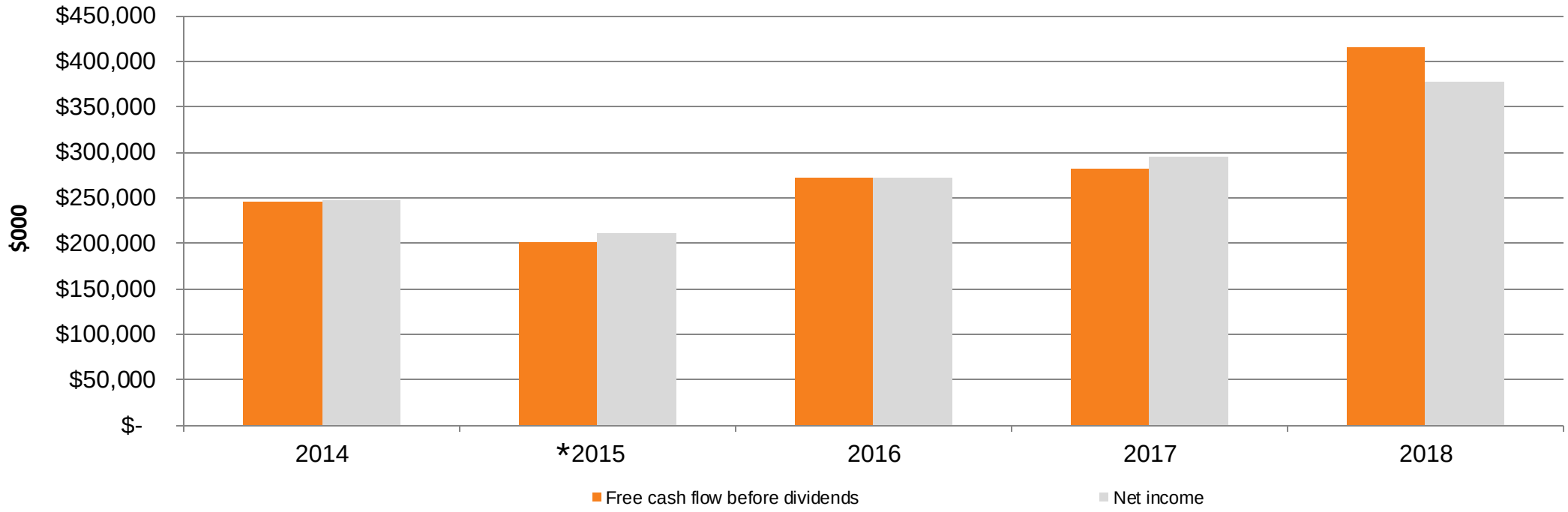


*FY15 results impacted by significant negative currency translation effects compared to the prior year.

Strong Cash Generation

Funds Growth and Returns to Shareholders

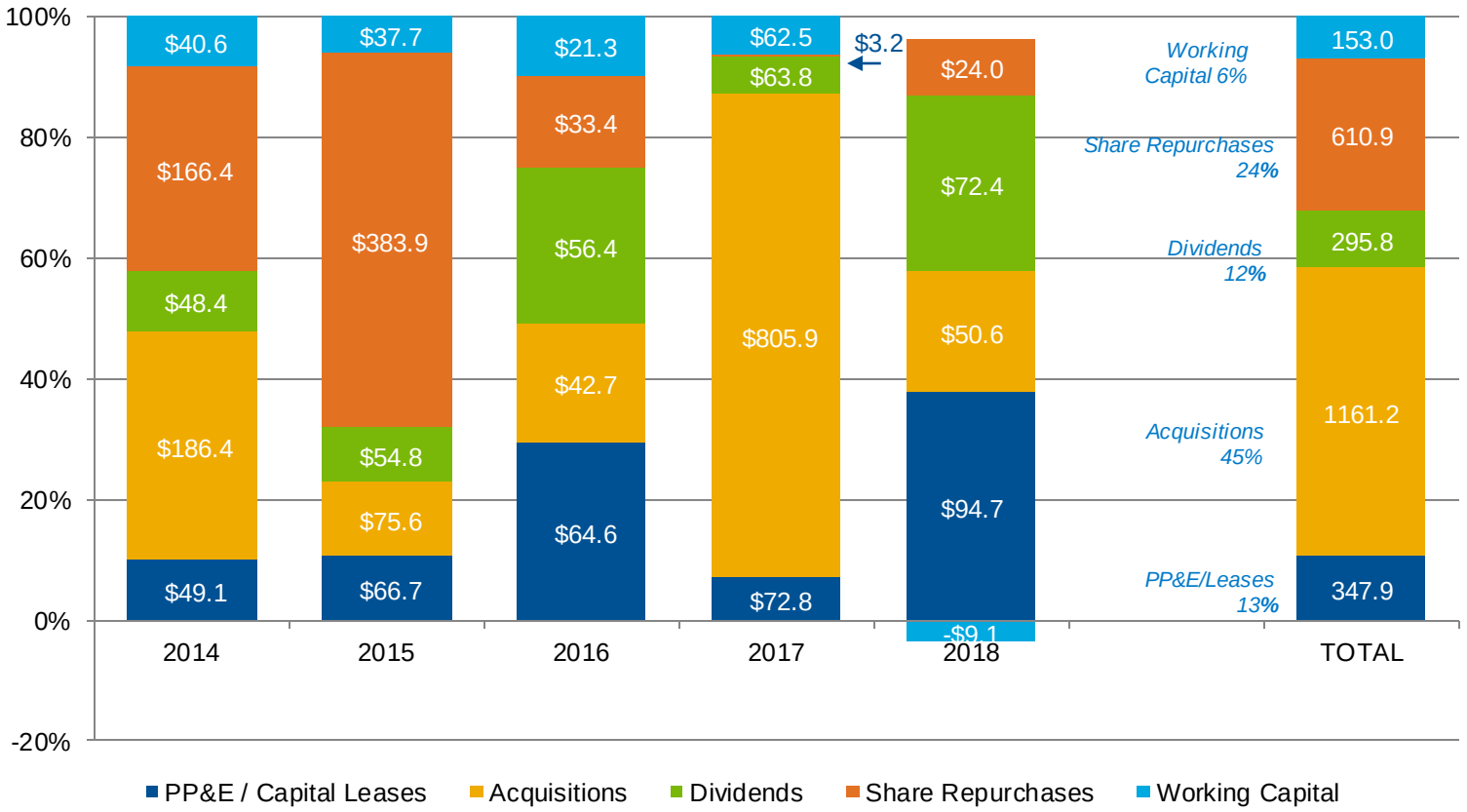
Strong Cash Conversion: 2014 – 2018
2018 Free Cash Flow Before Dividends
= 110% of Net Income



*FY15 results impacted by significant negative currency translation effects compared to the prior year.

Disciplined Capital Deployment

36% or $906.7 Million to Shareholders via Share Repurchases and Dividends



- Self funding business model generates excess cash
- Low working capital requirements
- Low capital expenditures (approx. 3% of sales)
- Strong free cash
- **55 consecutive years** of dividend increases - 14th among publicly traded companies

Investment Summary



1. Clear Strategy and Goals
2. Strong Execution and Performance
3. Leading Global Businesses
4. Numerous Growth Opportunities
5. Outstanding Culture and Values
6. Committed to Community

Appendix

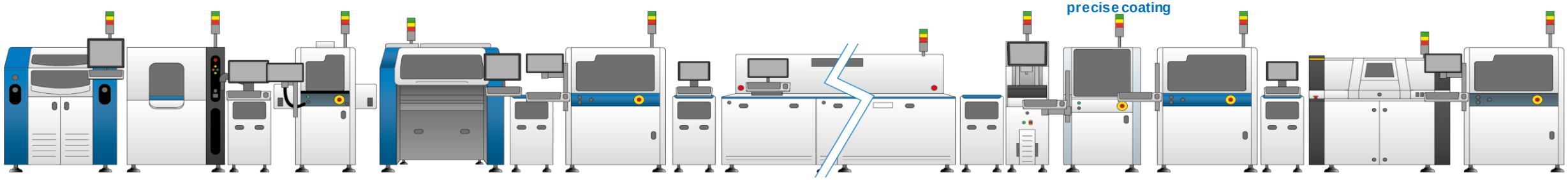
- Product Innovation
- Historic Financials
- 3QF19 Financial Exhibits

Appendix:
Product Innovation

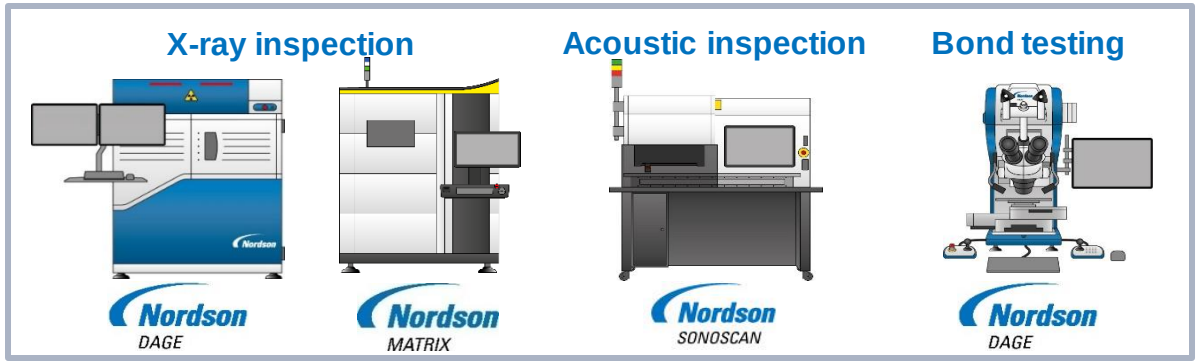
Our Electronics Industry Position

Surface Mount Manufacturing

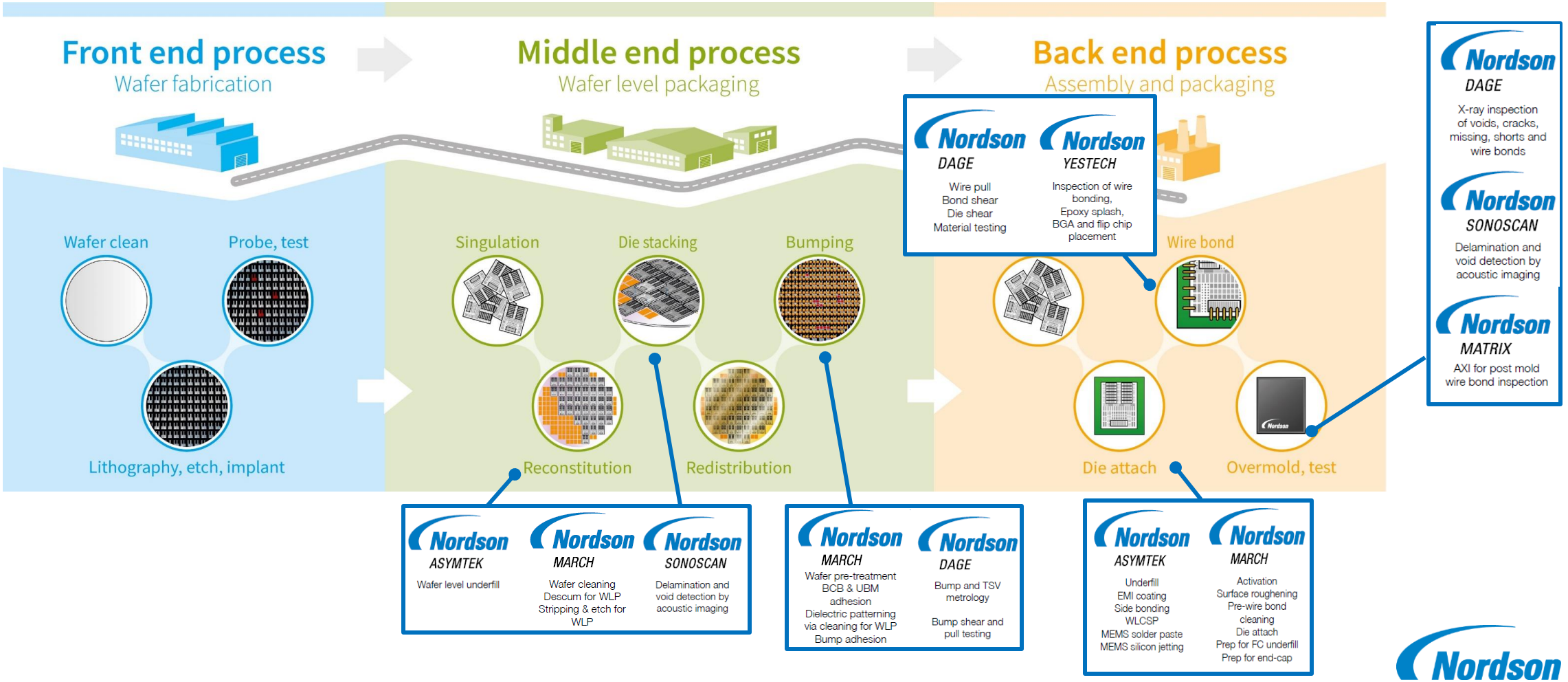
Inline Systems



QA Lab / Island of Automation



Our Role in the Semiconductor Process



Advanced Technology – Fluid Management



Precision Low-Volume Dispensing

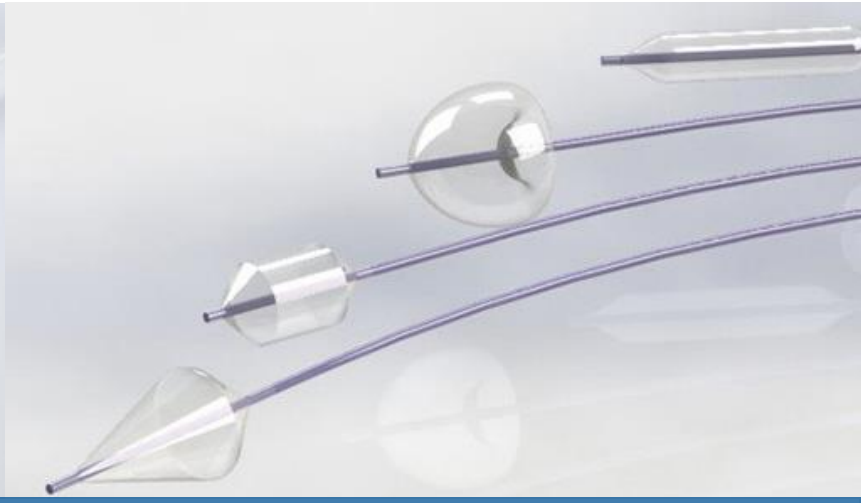
From benchtop dispensers to industry-best jetting valves and automated dispensing robots, Nordson EFD systems deliver accurate, repeatable deposits of glues, greases, and other industrial fluids in precise, low-volume applications.



Optimum® Syringe Barrels and Tips

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

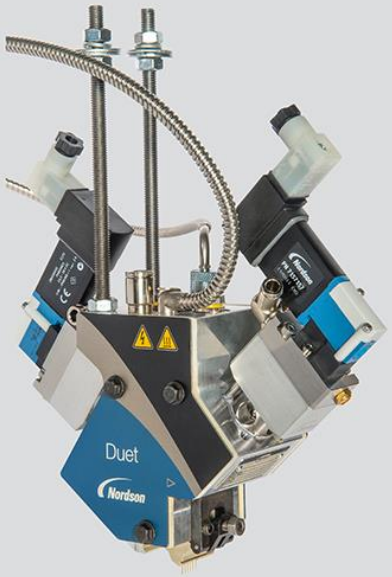
Dispense tips deliver a clean, smooth flow path, free of flash and burrs. In 200+ sizes and styles, tips are lot-tracked for process control and traceability.



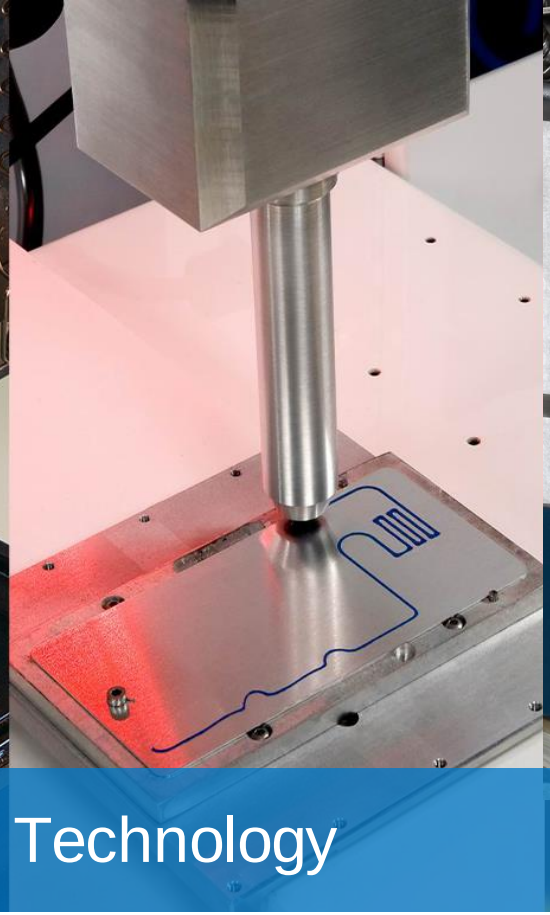
Life Sciences Fluid Management Components

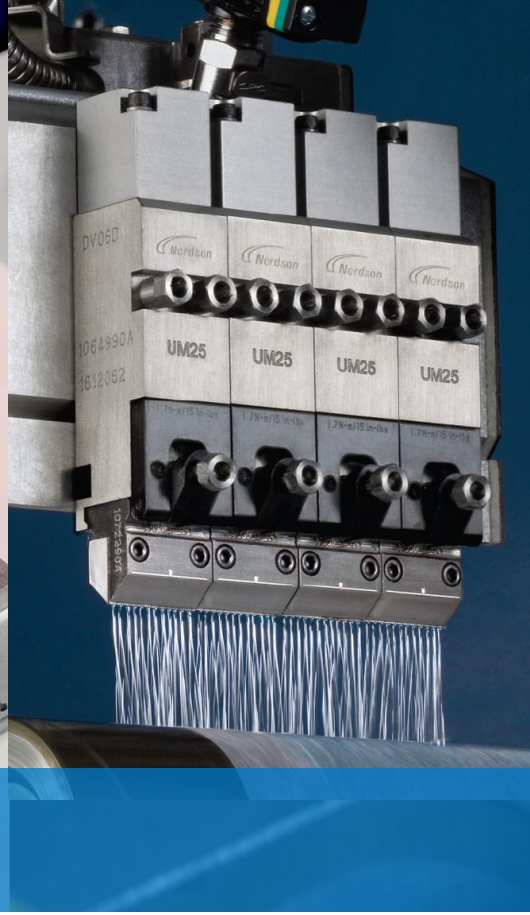
From specialty tubing, catheters, medical balloons, quick-connect couplings and couplers, Nordson is an expert in the design, development and manufacture of complex medical devices and component technologies.











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

Nordson

Industrial Coating Systems



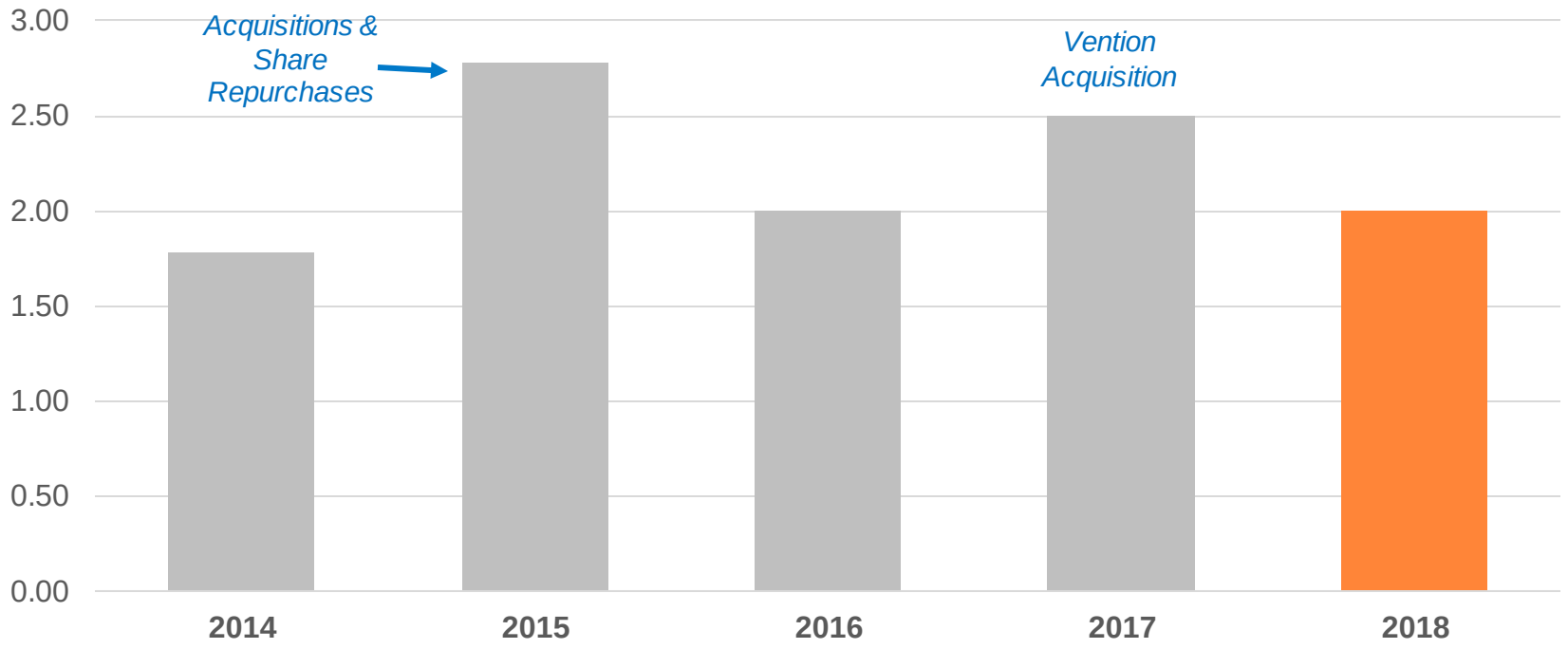
Appendix:
Historic Financials

Strong Capital Management

Net Debt to EBITDA*

Strong cash generation lets Nordson de-lever quickly.

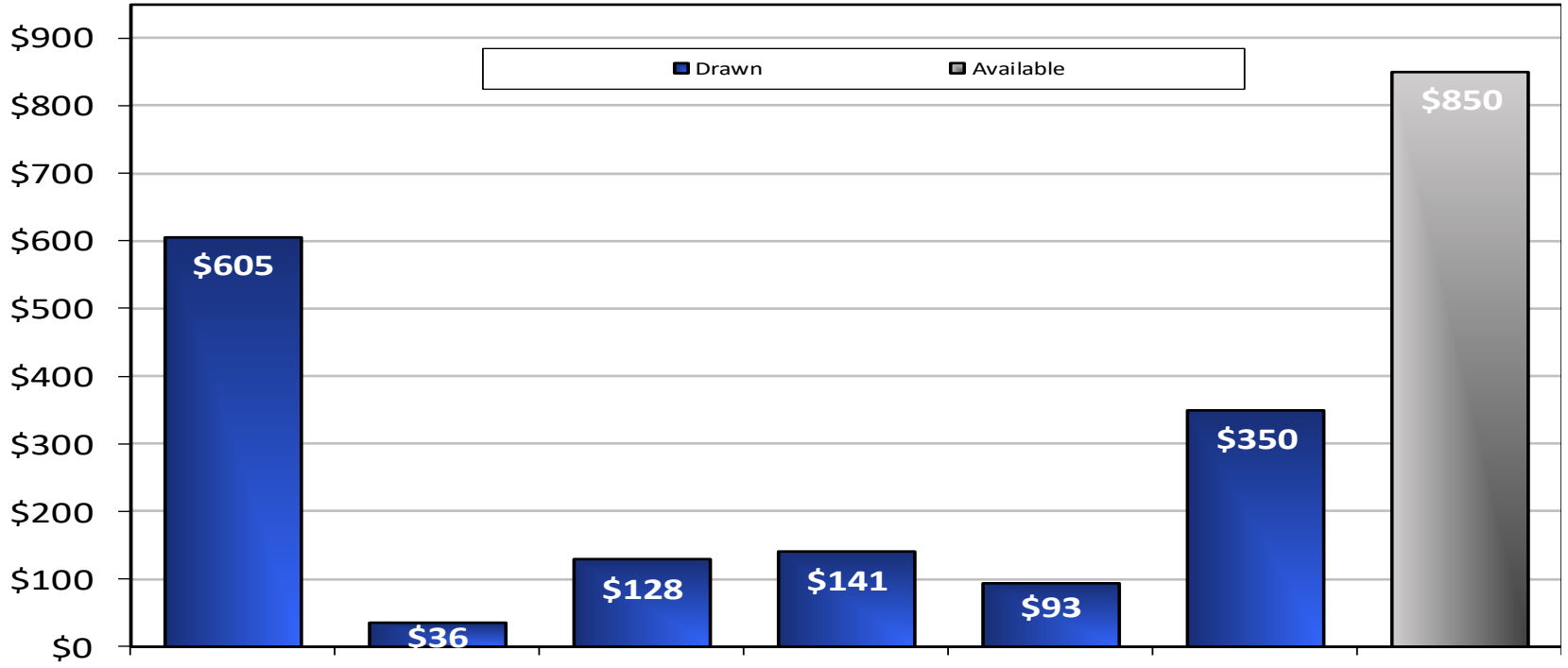
At 10/31/2018 Net Debt to TTM EBITDA = 2.0 times



At fiscal years ending 10/31
** Net Debt to EBITDA calculated net of cash*

Strong Capital Management

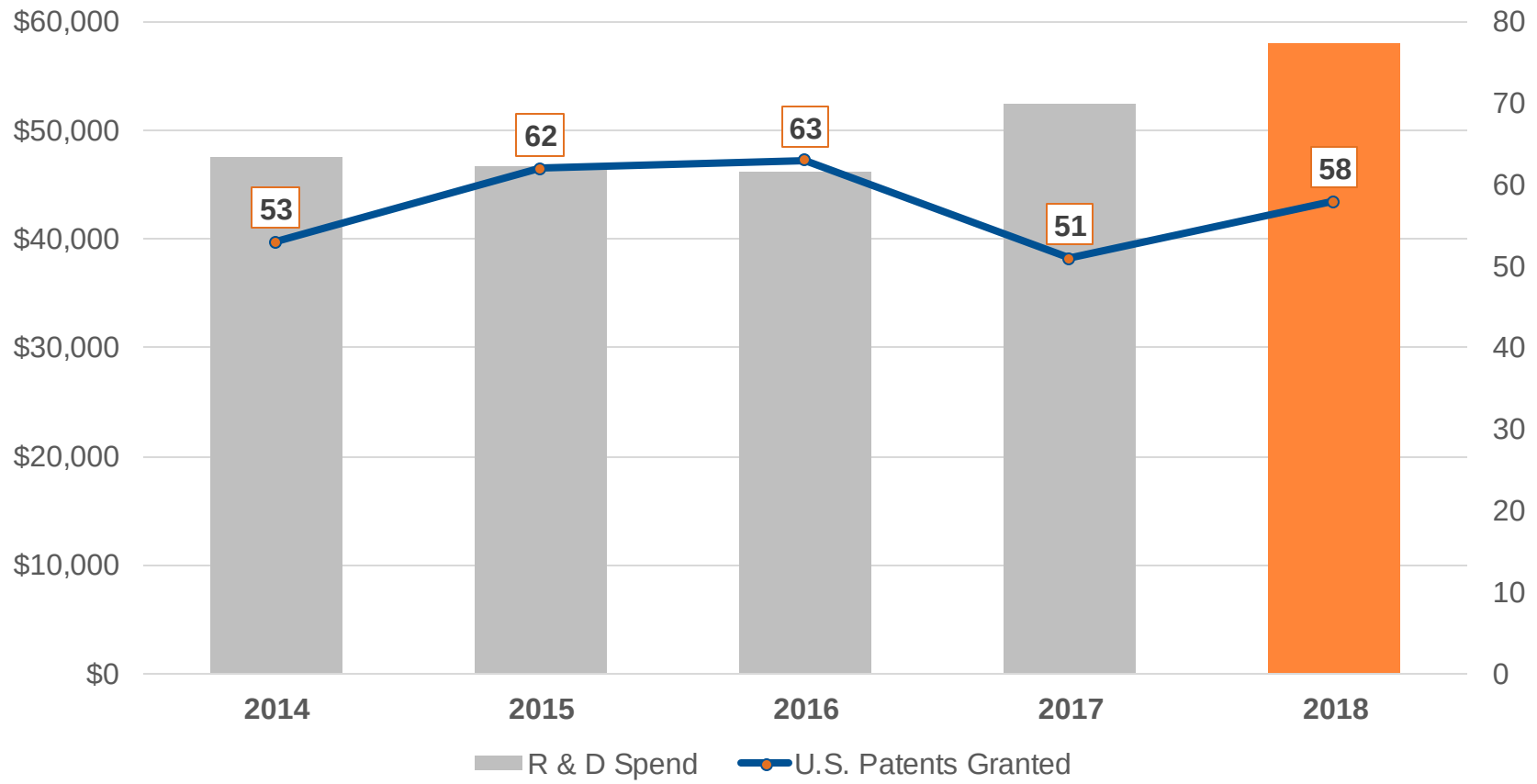
Debt Position (as of 7/31/19)



Term Loan A (US) & PNC Loan	NYL	Term Loan A (EUR)	2012 Private Placement	2015 Private Placement	2018 Private Placement	Revolver
▪$100M –at 65.0 bps, maturity 3/31/20 ▪$200M –at 70.0 bps, maturity 9/30/22 ▪$305M –at 80.0 bps, maturity 3/31/24	▪Amortizing avg rate: 2.45% ▪Remaining avg. life: 0.52 yrs	▪Maturity 10/15/21 at 100.0 bps over EUR Libor ▪EUR denominated	▪Amortizing avg rate: 3.05% ▪Remaining avg. life: 3.01 yrs	▪Amortizing avg. rate: 3.04% ▪Remaining avg. life: 4.84 yrs	▪Amortizing avg. rate: 3.90% ▪Remaining avg. life: 6.30 yrs	▪Ends April, 2024 ▪78.5 bps over USD Libor at 7/31/19

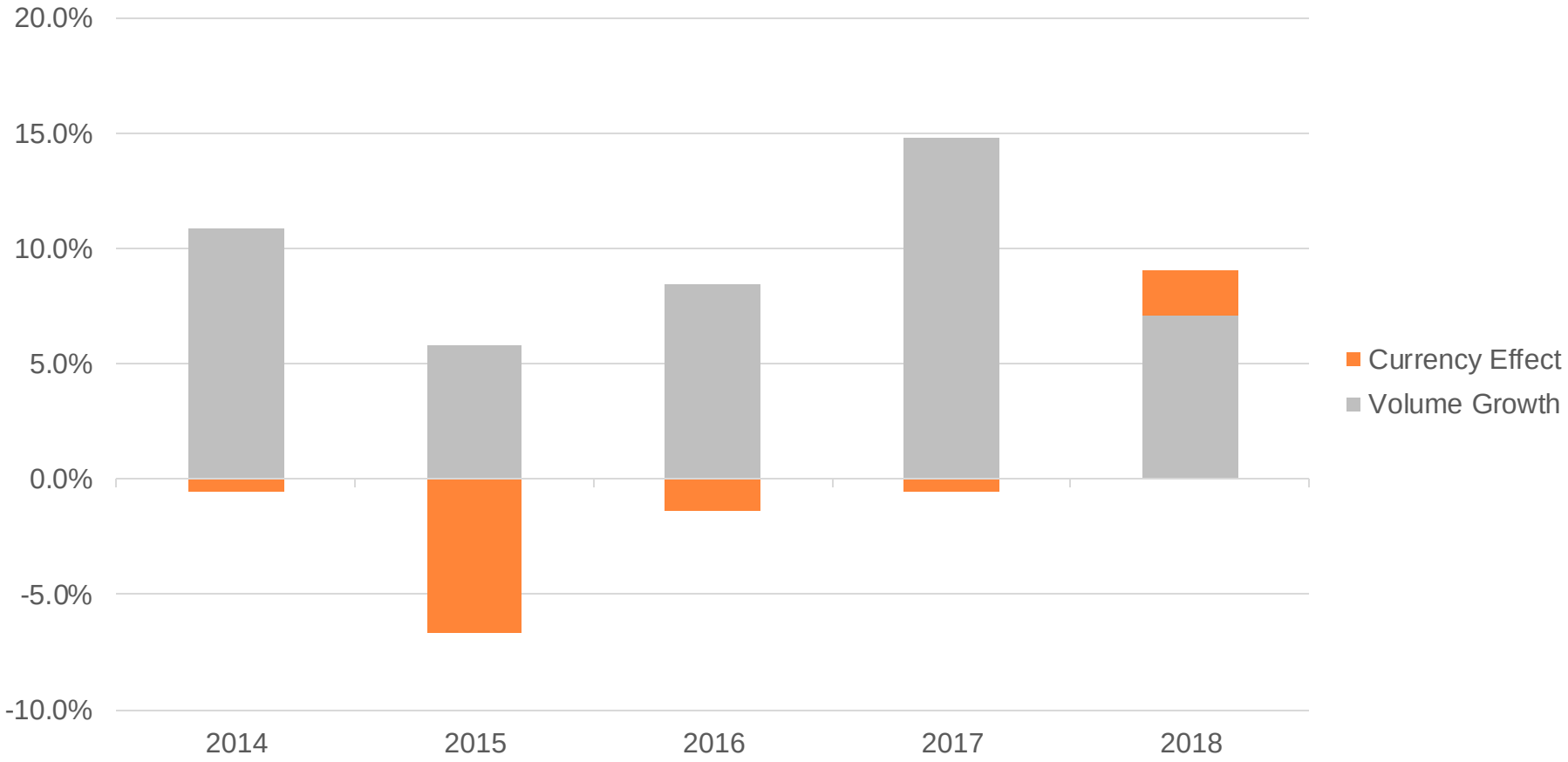
Innovation Drives Organic Growth

Steady Stream of New Products



Currency Impact

Annual Sales Growth and EPS



FX Impact to EPS:	($0.06)	($0.54)	($0.19)	($0.03)	$0.24

Appendix:
Financial Exhibits

THIRD QUARTER PERIOD
Period Ended July 31, 2019
(Unaudited)

NORDSON CORPORATION
FINANCIAL HIGHLIGHTS
(Dollars in thousands except for per-share amounts)

CONSOLIDATED STATEMENT OF INCOME[1]

	Third Quarter		Year-to-Date	
	2019	2018	2019	2018
Sales	$ 559,746	$ 581,243	$ 1,608,775	$ 1,685,373
Cost of sales	257,123	260,767	735,647	756,909
Selling & administrative expenses	172,347	182,934	529,675	542,680
Operating profit	130,276	137,542	343,453	385,784
Interest expense - net	(10,989)	(13,409)	(35,085)	(36,345)
Other income (expense) - net	210	(1,438)	(4,546)	(5,107)
Income before income taxes	119,497	122,695	303,822	344,332
Income taxes	25,569	27,811	69,404	53,658
Net Income	$ 93,928	$ 94,884	$ 234,418	$ 290,674
Return on sales	17%	16%	15%	17%
Return on average shareholders' equity	25%	27%	21%	30%
Average common shares outstanding (000's)	57,395	58,053	57,463	57,931
Average common shares and common share equivalents (000's)	58,117	58,912	58,183	58,910
Per share:				
Basic earnings	$ 1.64	$ 1.63	$ 4.08	$ 5.02
Diluted earnings	$ 1.62	$ 1.61	$ 4.03	$ 4.93
Dividends paid	$ .35	$ .30	$ 1.05	$ .90
Total dividends	$ 20,086	$ 17,412	$ 60,325	$ 52,109

CONSOLIDATED BALANCE SHEET

	July 31 2019	October 31 2018
Cash and marketable securities	$ 147,845	$ 95,678
Receivables	499,981	491,423
Inventories	282,614	264,477
Other current assets	50,300	32,524
Total current assets	980,740	884,102
Property, plant & equipment - net	392,034	386,666
Other assets	2,118,764	2,150,244
	$ 3,491,538	$ 3,421,012
Notes payable and debt due within one year	$ 168,734	$ 28,734
Accounts payable and accrued liabilities	275,488	321,546
Total current liabilities	444,222	350,280
Long-term debt	1,179,872	1,285,357
Other liabilities	320,556	334,634
Total shareholders' equity	1,546,888	1,450,741
	$ 3,491,538	$ 3,421,012

Other information:

Employees	7,554	7,536
Common shares outstanding (000's)	57,488	58,037

[1] Results for the three and nine months ended July 31, 2018 have been revised to reflect the retrospective adoption of Accounting Standards Update No. 2017-07, Compensation — Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Cost ("ASU 2017-07"). The adoption of ASU 2017-07 resulted in a net increase to previously reported operating income of $2.0 million & $5.8 million for the three and nine months ended July 31, 2018, respectively, and a corresponding increase of $2.0 million & $5.8 million to other expense for the three and nine months ended July 31, 2018, respectively, with no net impact to net income or earnings per share.

THIRD QUARTER PERIOD
Period Ended July 31, 2019
(Unaudited)

NORDSON CORPORATION
FINANCIAL HIGHLIGHTS
(Dollars in thousands)

SALES BY BUSINESS SEGMENT	Third Quarter 2019	Third Quarter 2018	% Growth over 2018 Volume	% Growth over 2018 Currency	% Growth over 2018 Total	Year-to-Date 2019	Year-to-Date 2018	% Growth over 2018 Volume	% Growth over 2018 Currency	% Growth over 2018 Total
Adhesive dispensing systems	$ 248,983	$ 244,728	3.7%	-2.0%	1.7%	$ 697,223	$ 704,367	2.2%	-3.2%	-1.0%
Advanced technology systems	253,098	266,595	-3.9%	-1.2%	-5.1%	736,850	789,135	-5.0%	-1.6%	-6.6%
Industrial coating systems	57,665	69,920	-16.7%	-0.8%	-17.5%	174,702	191,871	-7.2%	-1.7%	-8.9%
Total sales by business segment	$ 559,746	$ 581,243	-2.2%	-1.5%	-3.7%	$ 1,608,775	$ 1,685,373	-2.2%	-2.3%	-4.5%

OPERATING PROFIT BY BUSINESS SEGMENT[1]	Third Quarter 2019	Third Quarter 2018	Year-to-Date 2019	Year-to-Date 2018
Adhesive dispensing systems	$ 77,689	$ 69,268	$ 196,594	$ 193,595
Advanced technology systems	53,562	67,466	150,882	193,649
Industrial coating systems	11,122	15,633	33,108	38,228
Corporate	(12,097)	(14,825)	(37,131)	(39,688)
Total operating profit by business segment	$ 130,276	$ 137,542	$ 343,453	$ 385,784

SALES BY GEOGRAPHIC REGION	Third Quarter 2019	Third Quarter 2018	% Growth over 2018 Volume	% Growth over 2018 Currency	% Growth over 2018 Total	Year-to-Date 2019	Year-to-Date 2018	% Growth over 2018 Volume	% Growth over 2018 Currency	% Growth over 2018 Total
United States	$ 190,460	$ 191,512	-0.5%	-	-0.5%	$ 551,510	$ 536,164	2.9%	-	2.9%
Americas	47,040	38,911	21.5%	-0.6%	20.9%	123,159	112,149	11.7%	-1.9%	9.8%
Europe	143,449	150,710	-1.0%	-3.8%	-4.8%	425,650	447,384	0.6%	-5.5%	-4.9%
Japan	30,488	28,367	5.9%	1.6%	7.5%	89,566	127,266	-29.2%	-0.4%	-29.6%
Asia Pacific	148,309	171,743	-11.7%	-1.9%	-13.6%	418,890	462,410	-6.9%	-2.5%	-9.4%
Total Sales by Geographic Region	$ 559,746	$ 581,243	-2.2%	-1.5%	-3.7%	$ 1,608,775	$ 1,685,373	-2.2%	-2.3%	-4.5%

[1] Results for the three and nine months ended July 31, 2018 have been revised to reflect the retrospective adoption of ASU 2017-07.

THIRD QUARTER ENDED
Period Ended July 31, 2019
(Unaudited)

NORDSON CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(Dollars in thousands except for per-share amounts)

EBITDA	Third Quarter		Year-to-Date	
	2019	2018	2019	2018
Net income	$ 93,928	$ 94,884	$ 234,418	$ 290,674
Adjustments:				
Depreciation and amortization expense	27,843	27,321	83,331	81,037
Interest expense, net	10,989	13,409	35,085	36,345
Income taxes	25,569	27,811	69,404	53,658
EBITDA	$ 158,329	$ 163,425	$ 422,238	$ 461,714
Adjustments:				
Acquisition costs and adjustments [1]	188	-	188	3,484
EBITDA As Adjusted	$ 158,517	$ 163,425	$ 422,426	$ 465,198
EBITDA per diluted share	$ 2.72	$ 2.77	$ 7.26	$ 7.84
EBITDA As Adjusted per diluted share	$ 2.73	$ 2.77	$ 7.26	$ 7.90

[1] Represents costs and adjustments associated with our 2019 and 2018 acquisitions, including accounting adjustments to inventory that were charged to cost of sales when the inventory was sold; transaction-related costs comprising of acquisition fees, legal, financial and tax due diligence expenses; and valuation costs that are required to be expensed as incurred.

EBITDA, EBITDA As Adjusted, EBITDA per diluted share and EBITDA As Adjusted per diluted share are non-GAAP financial measures used by management to evaluate the Company's ongoing operations. EBITDA is defined as earnings before interest, taxes, depreciation and amortization and EBITDA As Adjusted is defined as EBITDA plus certain acquisition costs and adjustments. EBITDA per diluted share is defined as EBITDA divided by the Company's diluted weighted average shares outstanding. EBITDA As Adjusted per diluted share is defined as EBITDA As Adjusted divided by the Company's diluted weighted average shares outstanding.

	Third Quarter		Year-to-Date	
	2019	2018	2019	2018
Diluted EPS as reported (U.S. GAAP)	$ 1.62	$ 1.61	$ 4.03	$ 4.93
Short-term inventory purchase accounting adjustments	-	-	-	0.04
Severance and restructuring	0.02	0.02	0.04	0.05
U.S. Tax Reform discrete item	-	-	0.08	(0.37)
Other discrete tax items	(0.02)	(0.03)	(0.07)	(0.15)
Diluted EPS as adjusted (Non-GAAP)	$ 1.62	$ 1.60	$ 4.08	$ 4.50

Adjusted EPS is not a measurement of financial performance under GAAP, and should not be considered as an alternative to EPS determined in accordance with GAAP. Management believes that EPS as adjusted to exclude the items in the table above assist in understanding the results of Nordson Corporation. Amounts may not add due to rounding.

Free Cash Flow Before Dividends	Third Quarter		Year-to-Date	
	2019	2018	2019	2018
Net income	$ 93,928	$ 94,884	$ 234,418	$ 290,674
Depreciation and amortization	27,843	27,321	83,331	81,037
Other non-cash charges	4,202	3,934	14,699	(29,269)
Changes in operating assets and liabilities	(51,454)	4,477	(96,017)	485
Net cash provided by operating activities	74,519	130,616	236,431	342,927
Additions to property, plant and equipment	(19,399)	(12,923)	(46,002)	(45,972)
Proceeds from the sale of property, plant and equipment	53	64	1,037	299
Free cash flow before dividends	$ 55,173	$ 117,757	$ 191,466	$ 297,254
Adjustments:				
Acquisition costs and adjustments, net of tax[(1)]	146	-	146	2,630
Free cash flow before dividends, adjusted	$ 55,319	$ 117,757	$ 191,612	$ 299,884

[(1)] Represents costs and adjustments associated with our 2019 and 2018 acquisitions, including accounting adjustments to inventory that were charged to cost of sales when the inventory was sold; transaction-related costs comprising of acquisition fees, legal, financial and tax due diligence expenses; and valuation costs that are required to be expensed as incurred.

Free cash flow before dividends, a non-GAAP financial measure, is defined as net cash provided by operating activities less purchased property, plant and equipment and proceeds from the sale of property, plant and equipment. It is a financial measure used by management to assess its ability to generate cash in excess of its operating needs. Therefore, the Company believes this financial measure provides useful information to investors. Free cash flow before dividends is not a measure of financial performance under GAAP and should be considered in addition to, and not as a substitute for, operating cash flows or other financial measures prepared in accordance with GAAP. Our calculations of non-GAAP measures may not be comparable to the calculations of similarly titled measures reported by other companies.

Nordson