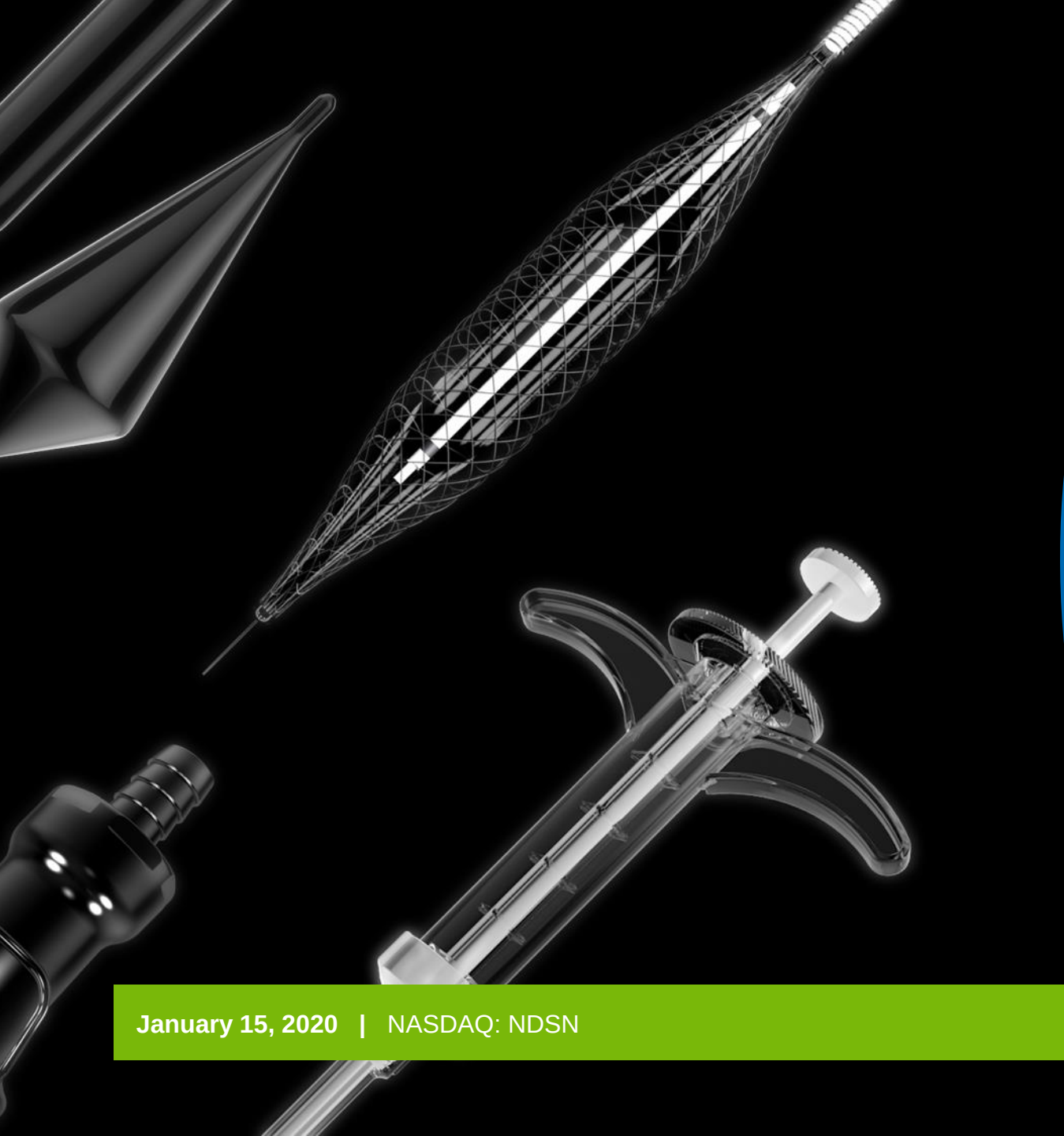


INVESTOR PRESENTATION

January 15, 2020 | NASDAQ: NDSN

Nordson MEDICAL Products (see detail on page two)

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.

ON THE COVER: *Nordson MEDICAL products: Top left – High-pressure urethane balloons for use in dilation, stent delivery, and occlusion procedures; Top right – Nitinol components can be braided and formed in virtually any shape for the urology, neurology, or vascular markets; Bottom left – Fluid management components find their way into virtually every medical space where quality and safety are paramount requirements for life saving fluid management; Bottom right – Biomaterial delivery devices make the transfer of valuable autologous and synthetic biomaterials safe, efficient and effective for surgeons and clinicians the world over.*



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

1954	$2.2B	$587M	7,500+	35+
Company Founded	*Sales	*EBITDA	Employees	Countries with Direct Presence

*Sales and EBITDA for the full fiscal year ended 10/31/19.

Investment Highlights

Strong Average Annual Sales Growth

5%

Average

2015-2019

Outstanding Gross Margins

55%

Gross Margins

Average
2015-2019

Excellent EBITDA Margins

26%

EBITDA Margin

Average
2015-2019

High Level of Free Cash Flow Before Dividends

$1.2B

100% of Net Income

2015-2019

Strong Cash Returns to Shareholders

$895M

Share Repurchases & Dividends

2015-2019

Reliable and Consistent Dividend

56 yrs

of Annual Increases

24% payout ratio
in 2019

Outstanding Long Term Total Shareholder Returns

21%

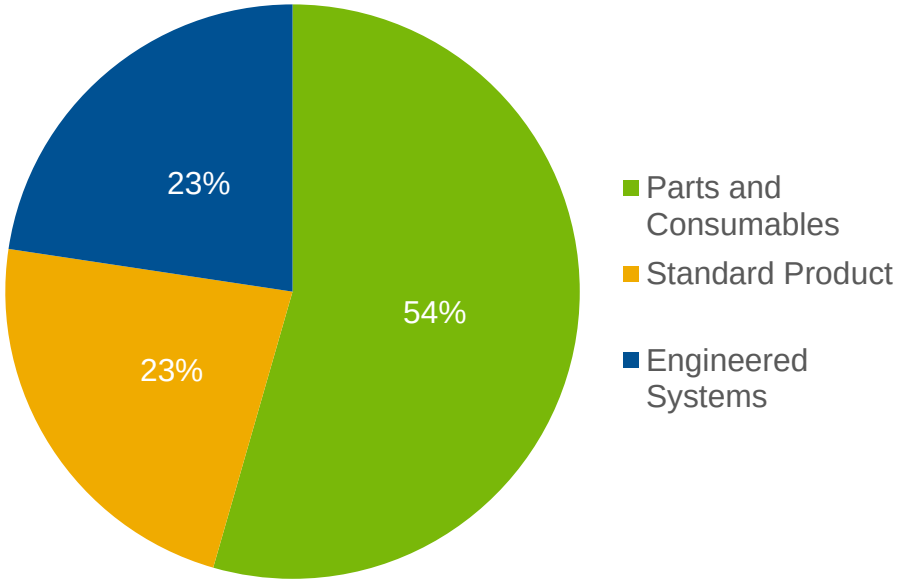
TSR CAGR

2009-2019

Diversified Sources of Sales

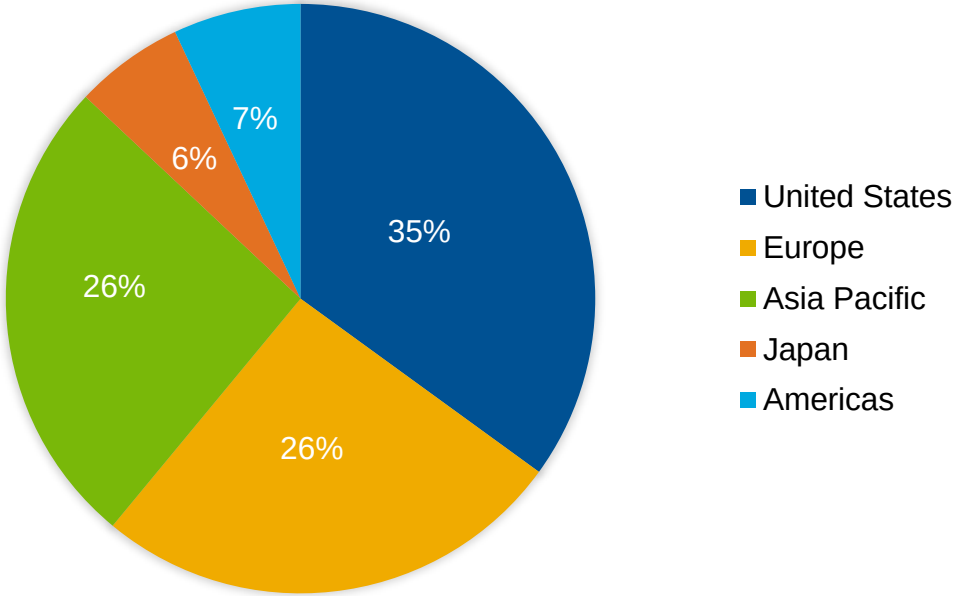
FY2019 Profile - $2.2 Billion

Product Type



High percentage of recurring sales from parts and consumables.

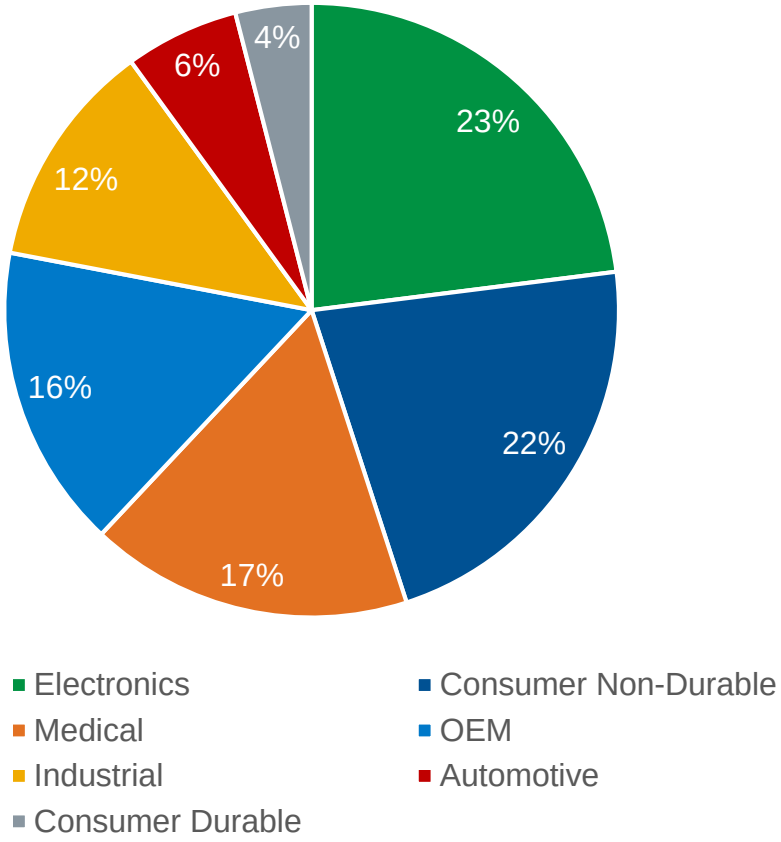
Geographies



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

Diversified End Markets

FY2019 Profile - $2.2 Billion



End markets include:

- **Electronic Components:** semiconductors, printed circuit boards, computing, communications/mobile, consumer electronics (i.e., gaming, wearables, automotive electronics)
- **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

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

Nordson Business Segments



ADVANCED TECHNOLOGY SYSTEMS*
45%

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

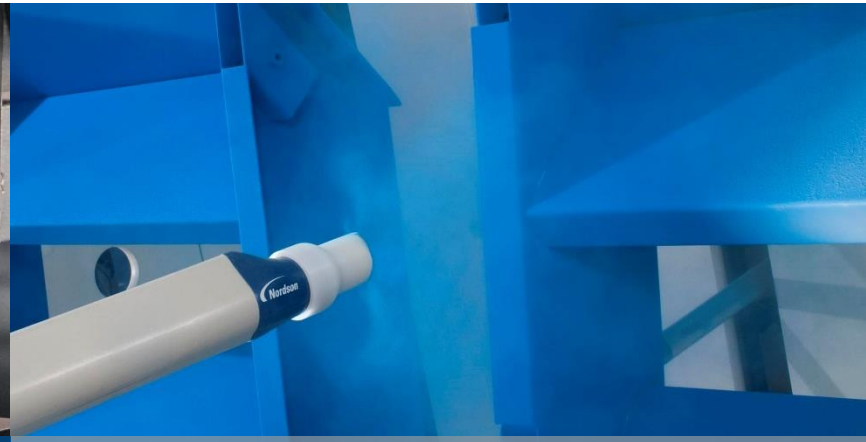


ADHESIVE DISPENSING SYSTEMS*
43%

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 10/31/19

Advanced Technology Systems

Organic **5.2%**

Acquisitive **8.3%**

Currency **(0.9%)**

2015-19 Average Annual Sales Growth

20.9%

2019 Annual Operating Margin

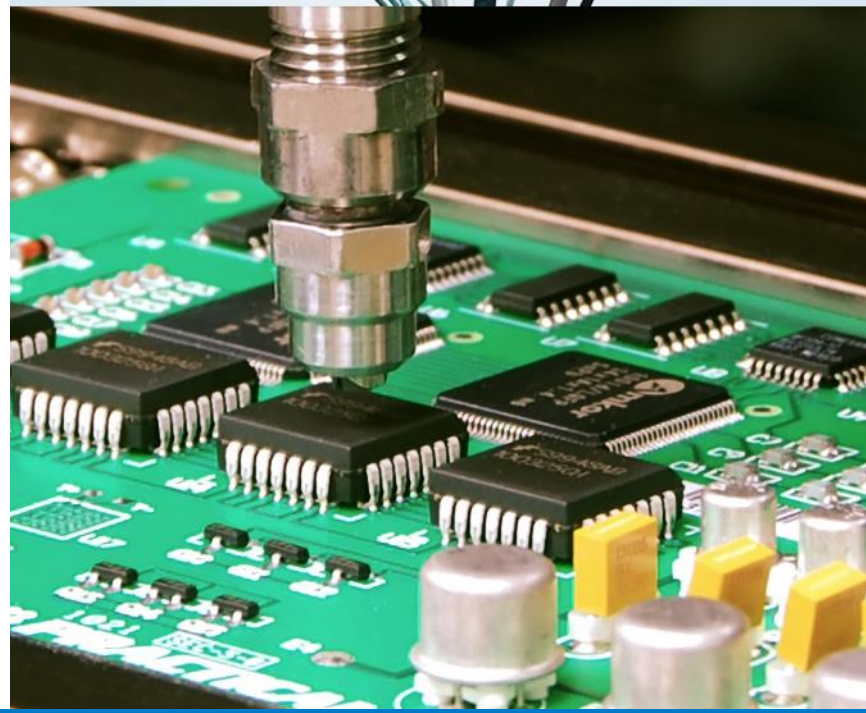
What We Do

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:

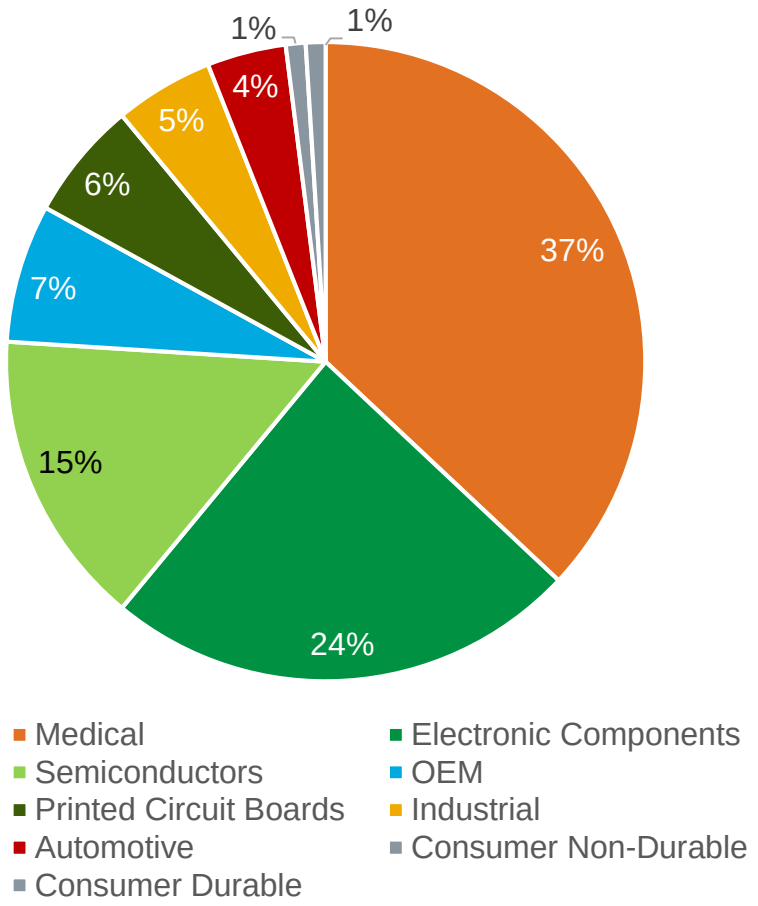
- Medical – Aging population, trends toward non-invasive surgical techniques and medical OEM outsourcing
- Broad product use across the electronics supply chain from integrated circuit to printed circuit board to end product assembly
- Circuit shrinkage / new architectures / flip chips
- New applications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





Advanced Technology

FY2019 Profile – Diverse End Markets



*Percentages are for directional use only

End markets include:

- **Medical:** minimally invasive interventional delivery devices, catheters, medical balloons, fluid connection components, specialty tubing
- **Electronics:** electronic components (i.e., computing; communications/mobile; consumer electronics – gaming, wearables; automotive electronics), semiconductors, printed circuit boards
- **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

Adhesive Dispensing Systems

Organic **3.3%**
Acquisitive **0.2%**
Currency **(2.3%)**

2015-19 Average Annual Sales Growth

28.9%

2019 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.

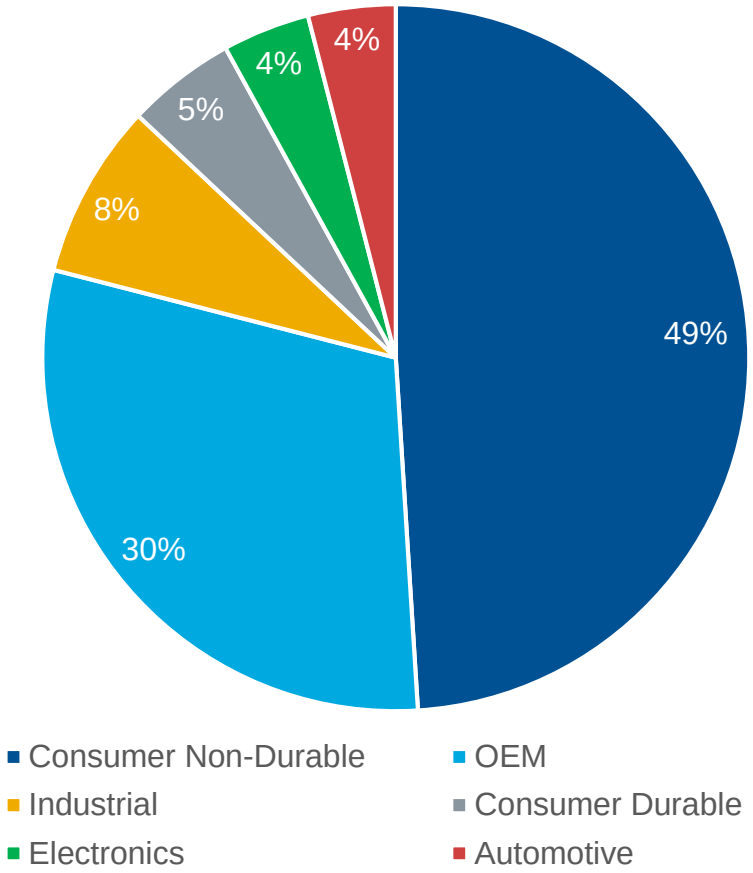
1.5-2X Global GDP Growth Driven By:

- 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

FY2019 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

Industrial Coatings Systems

Organic **2.9%**
Acquisitive **0.0%**
Currency **(1.6%)**

2015-19 Average Annual Sales Growth

20.9%

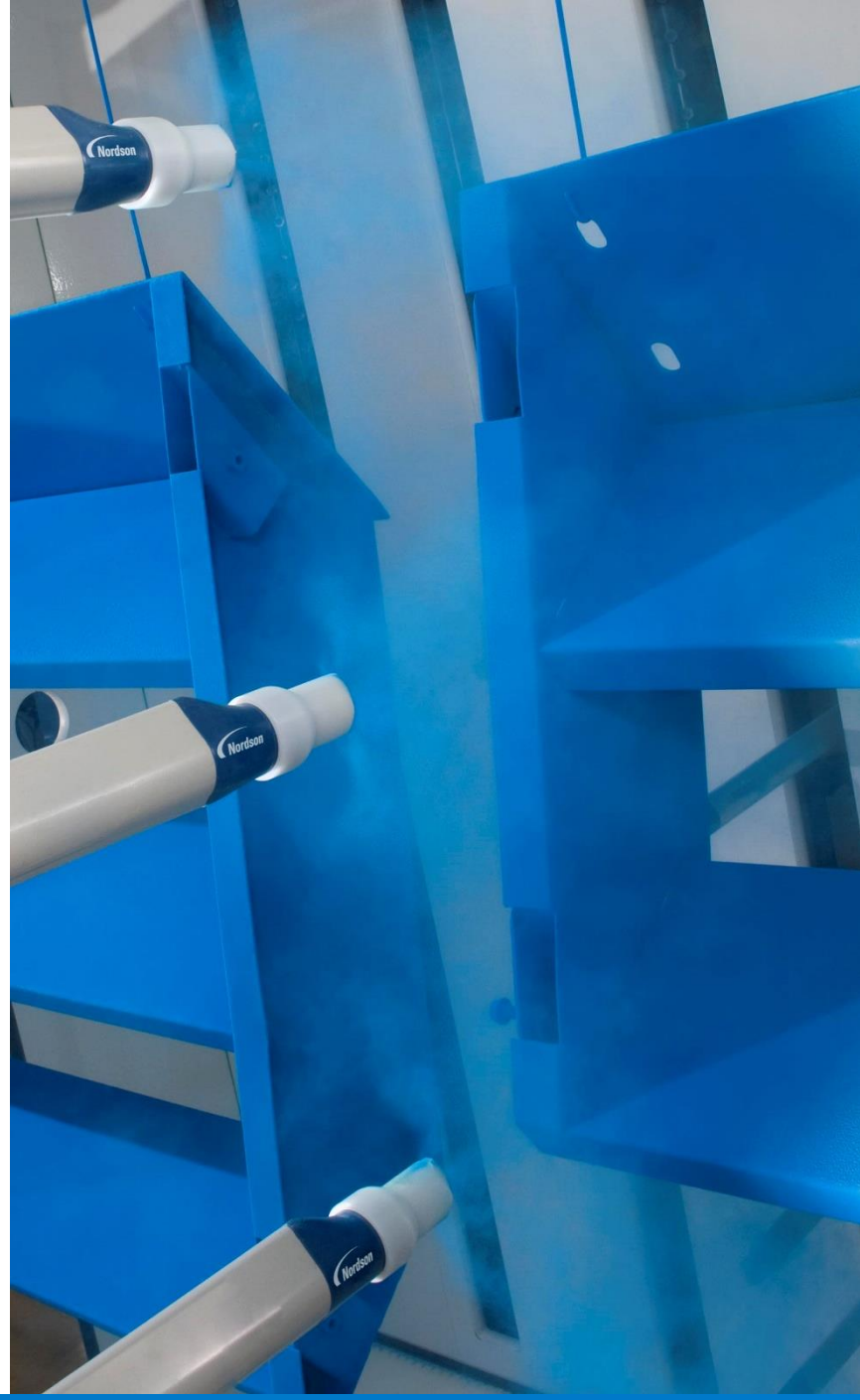
2019 Annual Operating Margin

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.

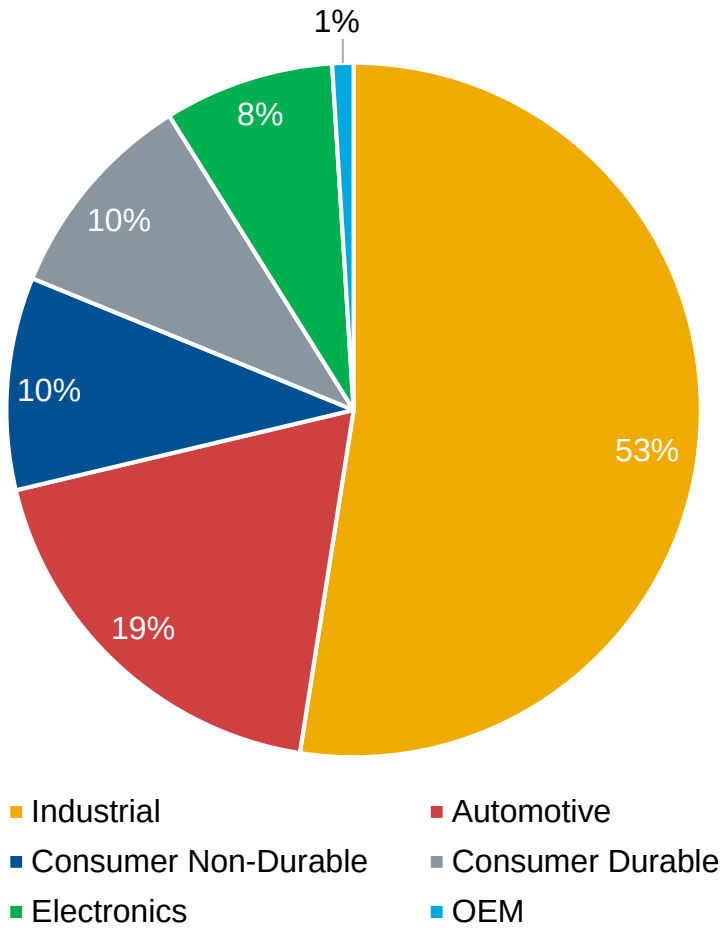
GDP+ Growth Driven By:

- 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

FY2019 Profile – Diverse end markets



*Percentages are for directional use only

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
- **Electronics:** UV curing of semi-conductor wafers and other electronic components
- **OEM/Distributor:** Nordson products used to build manufacturing line, not end market specific

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. Leverage NBS for profitable growth
4. Sustain our 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 (2015-2019):

4% 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:

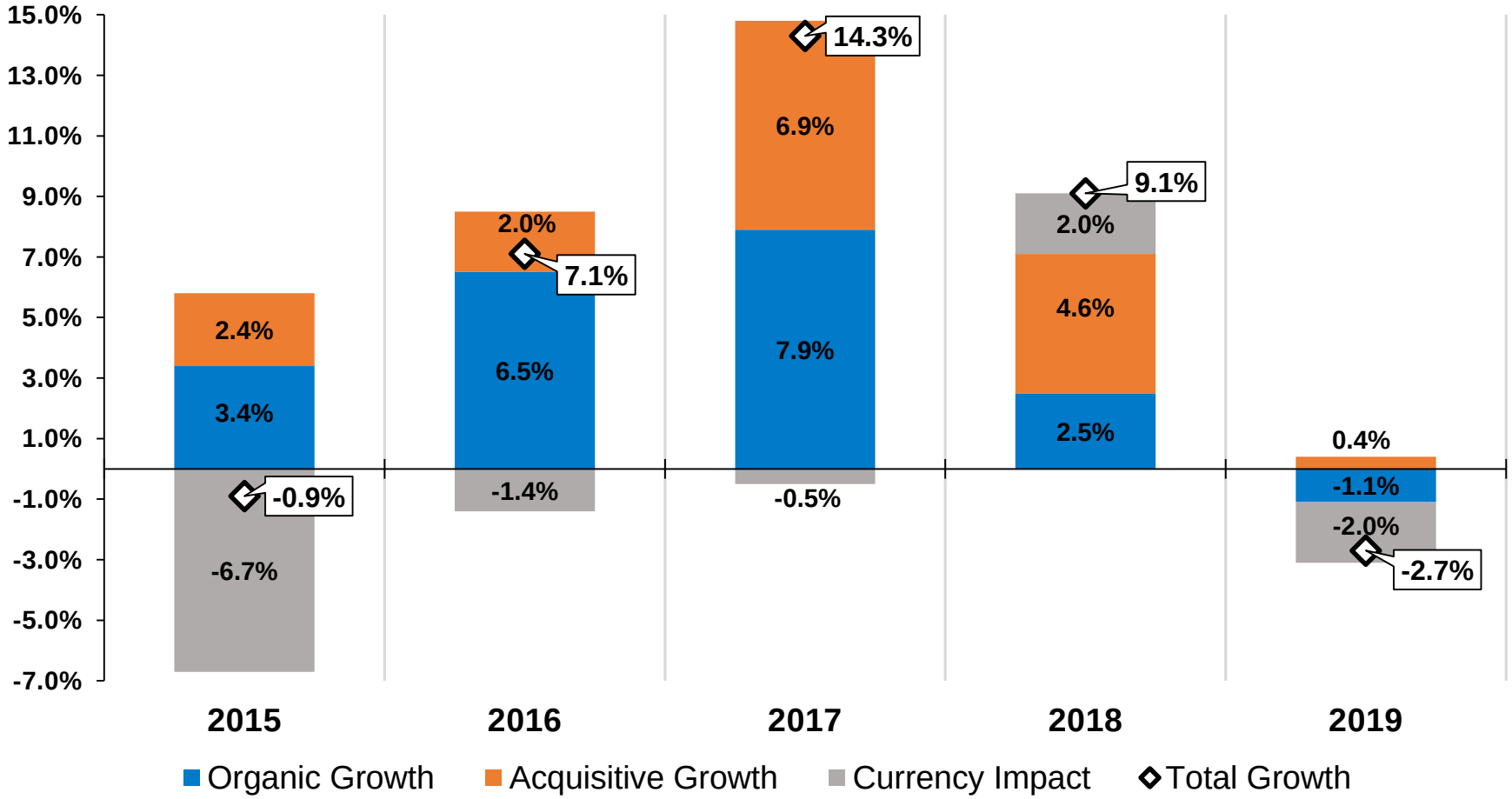
1. Strategic Fit
2. High Quality Businesses: Strong Performers & Proprietary Technology
3. Growth Rate at or Above Nordson
4. High % of Recurring Sales
5. Sales and Cost Synergies

Sales Growth from Acquisitions (2015-2019):

3% Average Annual Growth

Strong Growth: Organic and Acquisitive

On average across the past five years, Nordson has delivered annual sales growth of 5 percent, inclusive of 4 percent organic growth, 3 percent growth related to the first year effects of acquisitions and a decrease of 2 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 $109M in overall giving to date
2. More than 100K total hours volunteered
3. $3M 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 4Q2019 Results & FY2020 Guidance

4QF19 Results

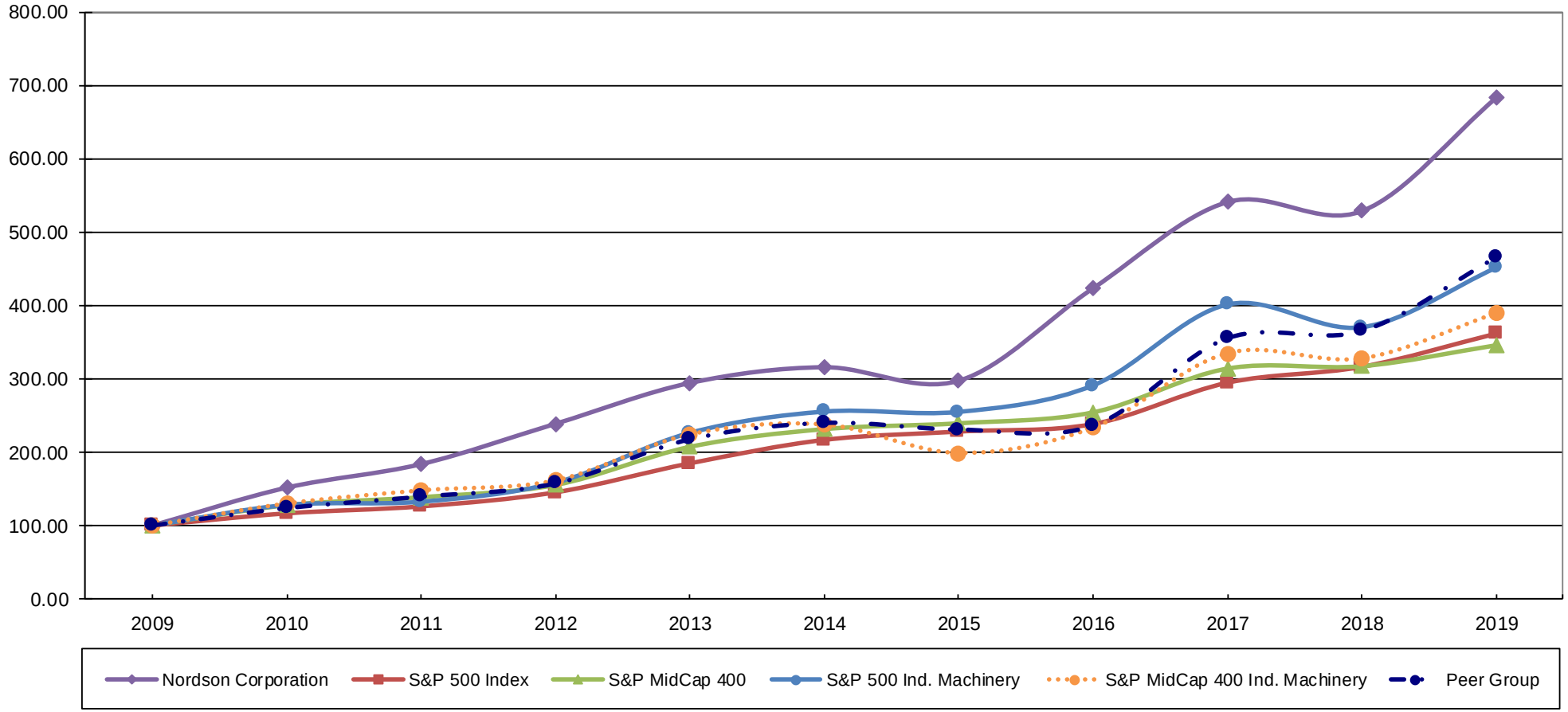
$585M	$140M	$164M	$1.76	$128M
Sales	**Operating Profit** (24% of Sales)	**EBITDA** (28% of Sales)	**GAAP Diluted EPS**	**Free Cash Flow Before Dividends** (125% of net income)

2020 Guidance

- Organic sales volume growth in the range of 1 to 3 percent compared to Fiscal 2019
- Growth from acquisitions adding 20 bps
- Unfavorable currency translation effect of 30 bps
- Hold reported operating margin and EBITDA margin equal to Fiscal 2019
- Interest expense expected to be appx. $36 million
- Maintenance capital expenditures expected to be appx. $50 million
- Estimated effective tax rate 22 percent
- GAAP diluted EPS growth in the range of 2 to 6 percent compared to Fiscal 2019

Total Shareholder Return Above Our Peers

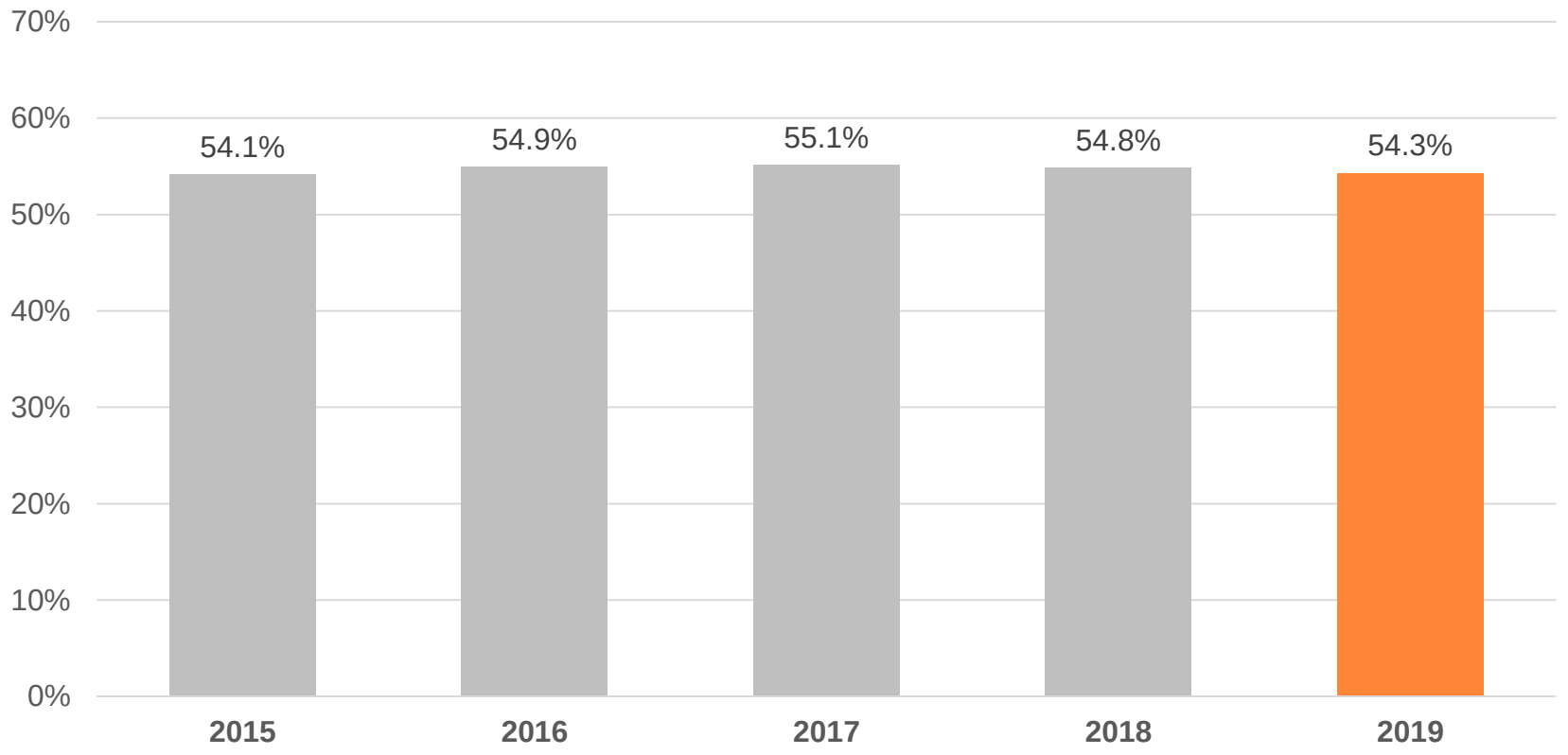
Comparison of 10 Year Cumulative Total Return



Assumes Initial Investment of $100 on November 1, 2009
Fiscal Year Ending October 31, 2019
Source: Zack's Investment Research

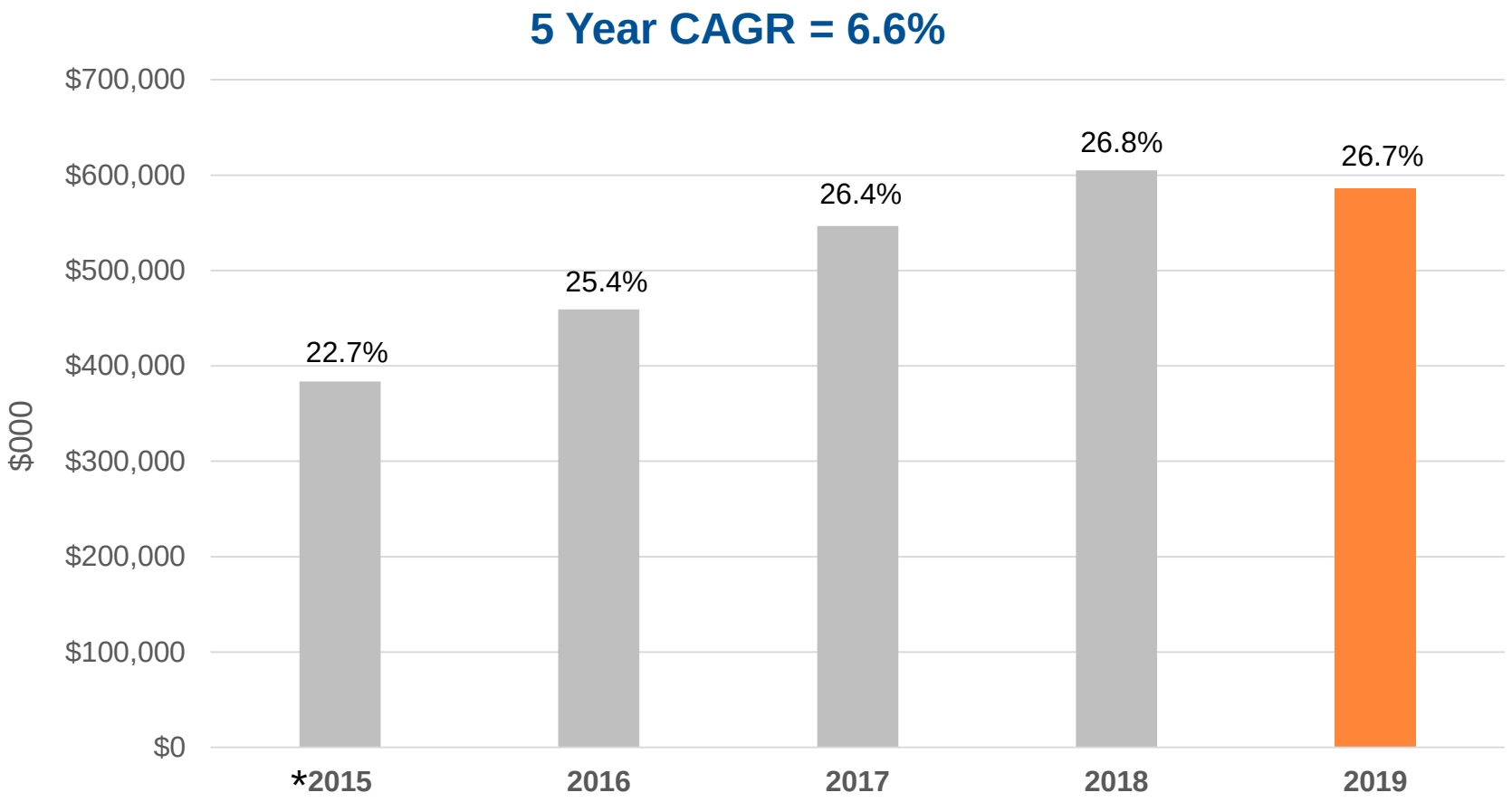
Industry Leading Gross Margins

Consistently Mid 50s



Strong EBITDA Margins

Continuous Improvement Initiatives

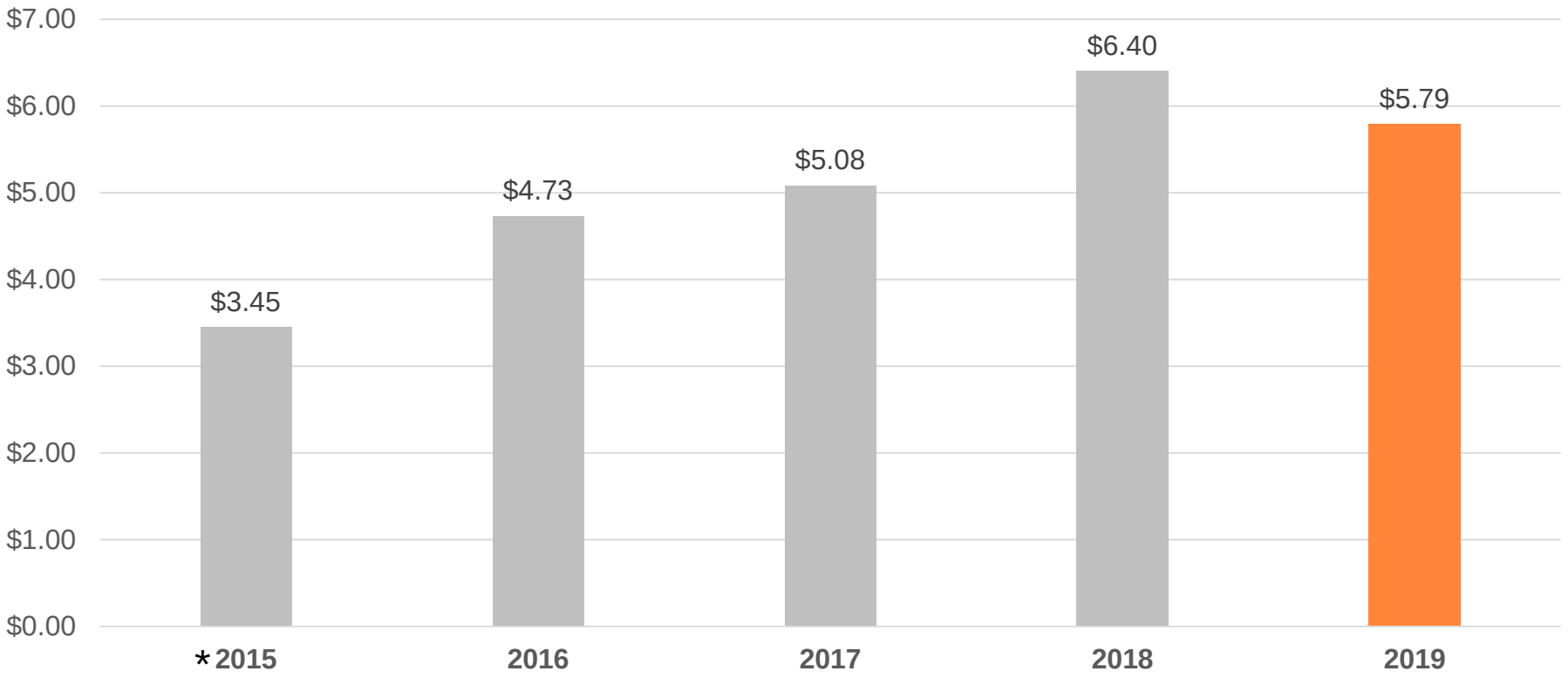


*FY15 results impacted by significant negative currency translation effects compared to the prior year.

EPS Growth

High gross margins lead to significant volume leverage

5 Year CAGR = 8.6%

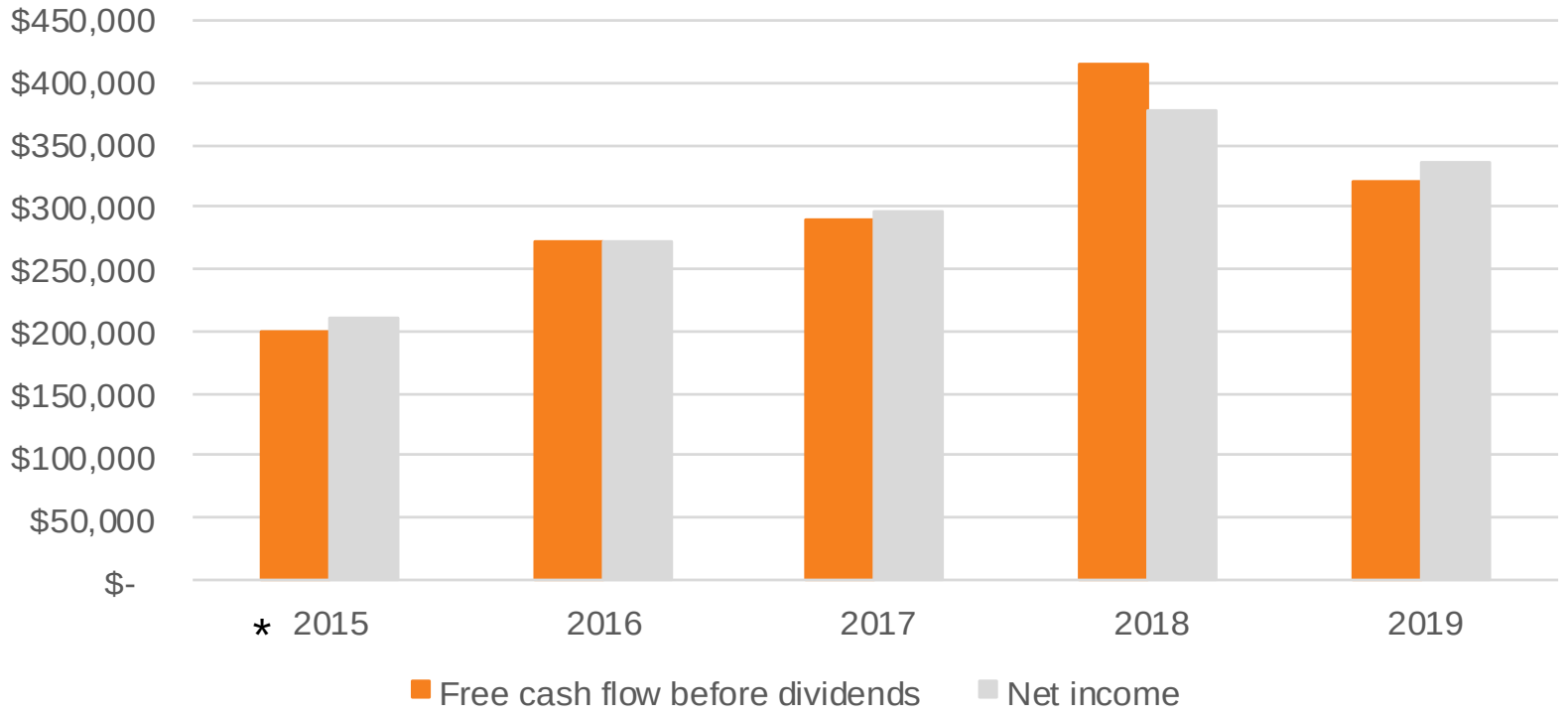


*FY15 results impacted by significant negative currency translation effects compared to the prior year.

Strong Cash Generation

Funds Growth and Returns to Shareholders

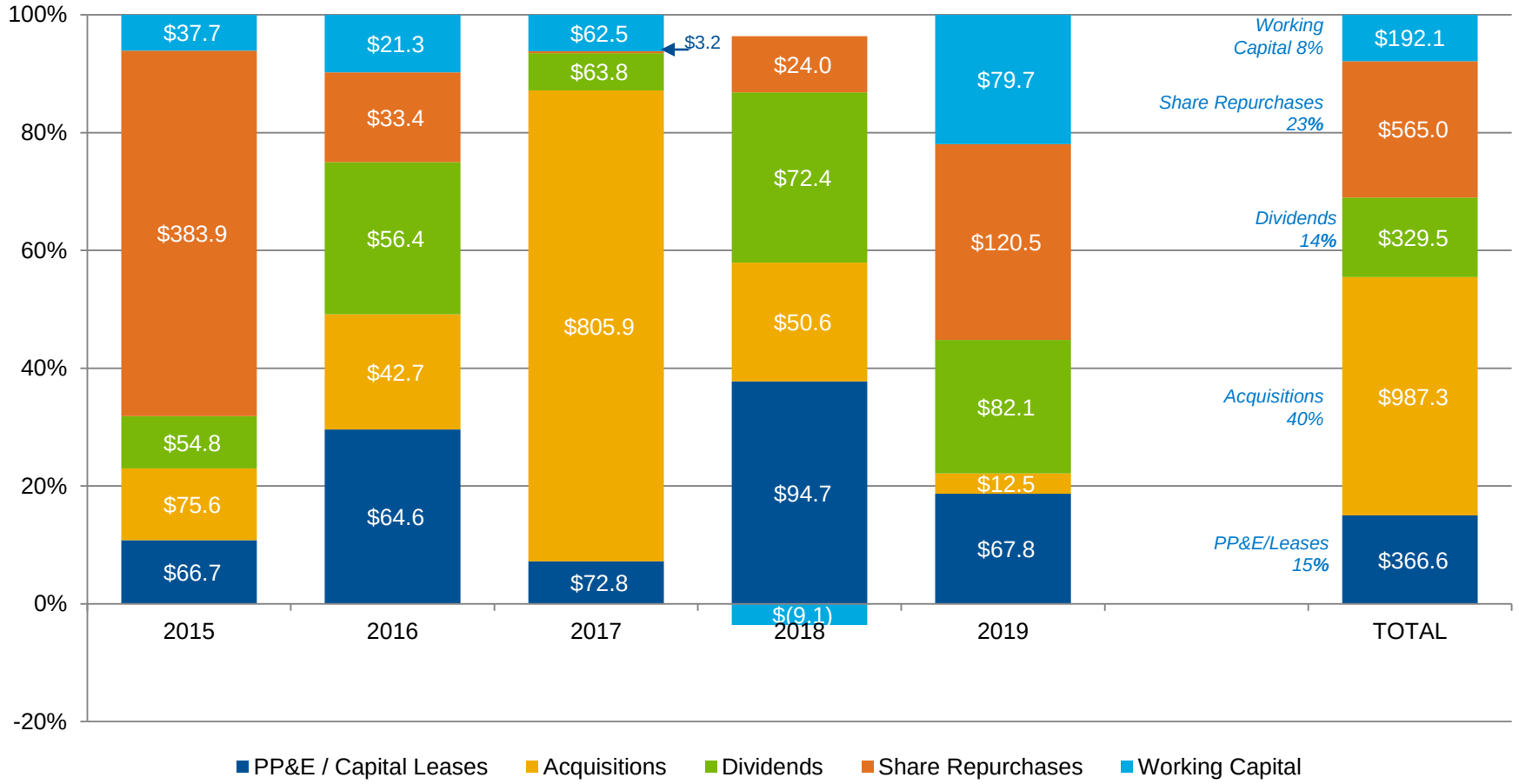
Strong Cash Conversion: 2015 – 2019
2019 Free Cash Flow Before Dividends
= 95% of Net Income



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

Disciplined Capital Deployment

37% or $894.5 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
- **56 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

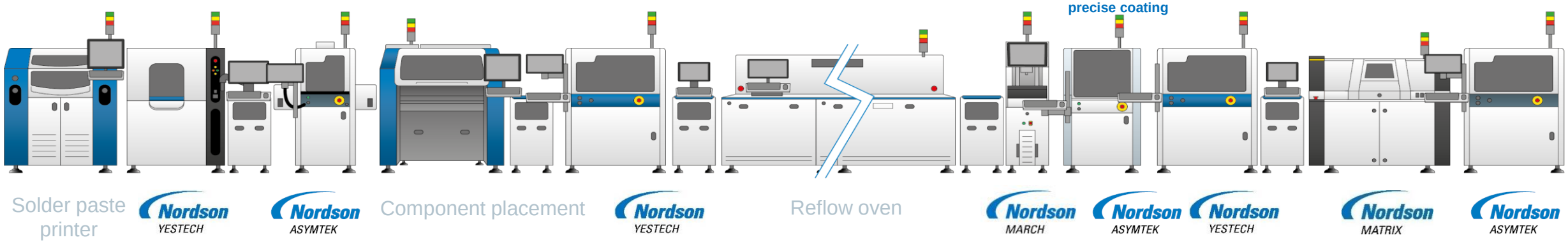
- Product Innovation
- Historic Financials
- 4QF19 Financial Exhibits

Appendix:
Product Innovation

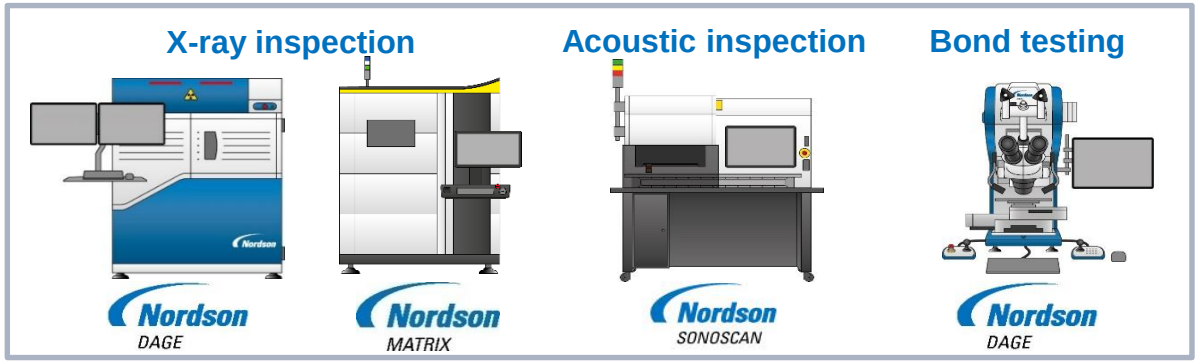
Our Electronics Industry Position

Surface Mount Manufacturing

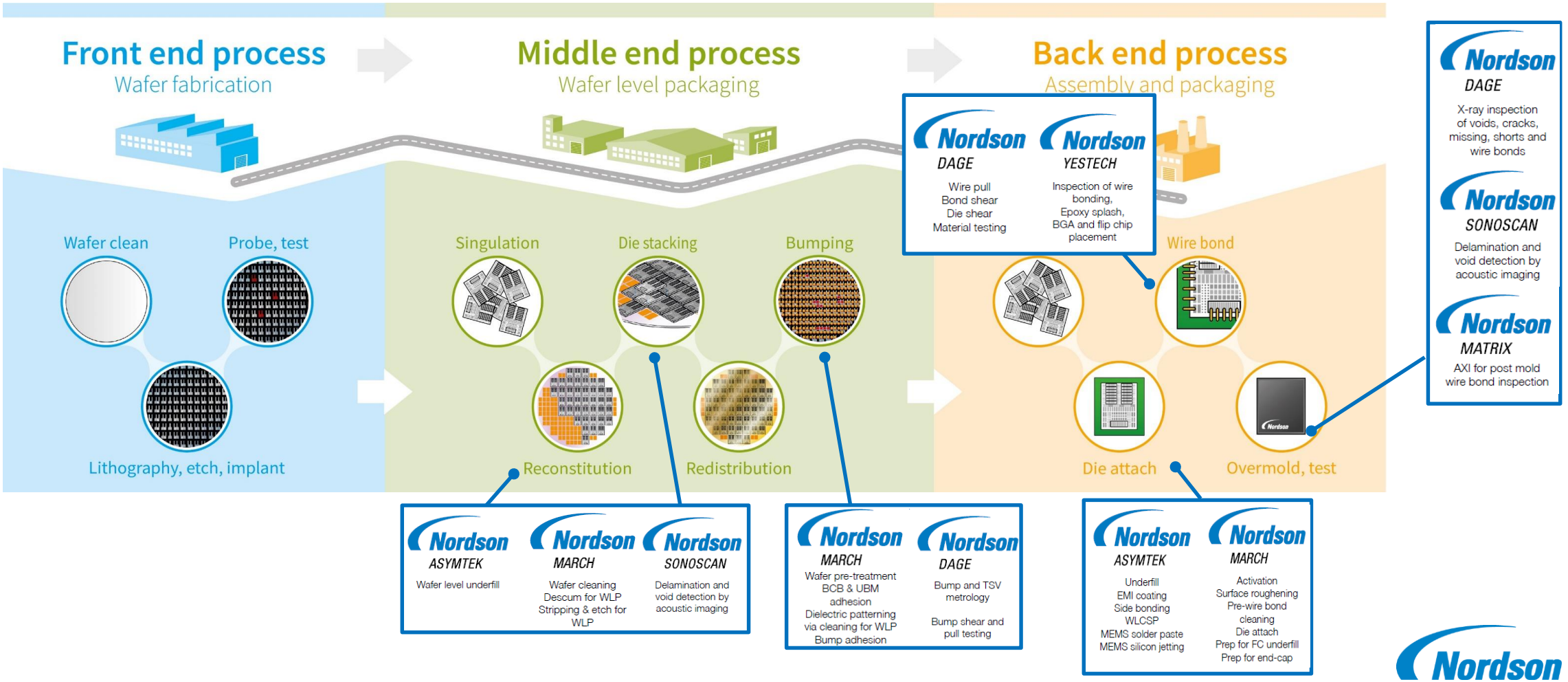
Inline Systems



QA Lab / Island of Automation



Our Role in the Semiconductor Process



Advanced Technology – Fluid Management



Precision Low-Volume Dispensing

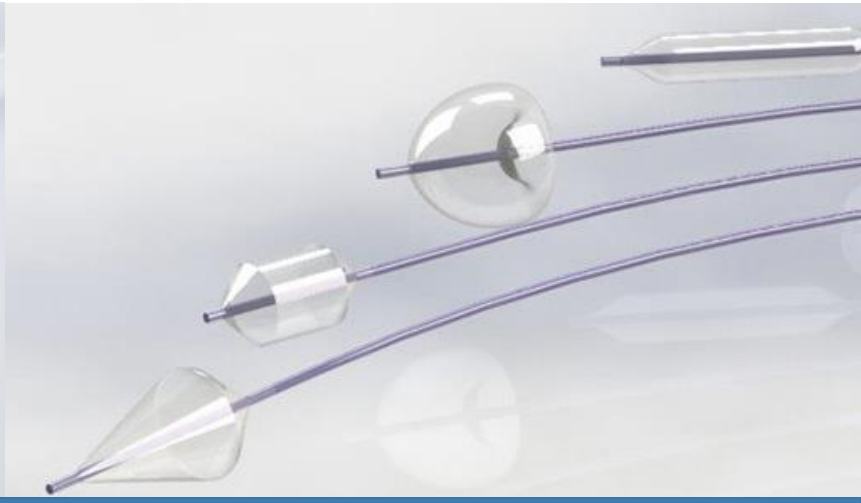
From benchtop dispensers to industry-best jetting valves and automated dispensing robots, Nordson EFD systems deliver accurate, repeatable deposits of glues, greases, and other industrial fluids in precise, low-volume applications.



Optimum® Syringe Barrels and Tips

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

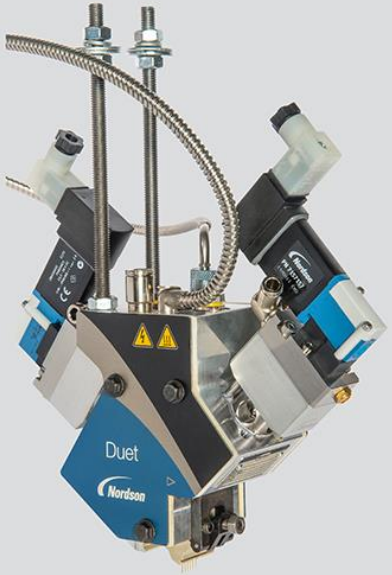
Dispense tips deliver a clean, smooth flow path, free of flash and burrs. In 200+ sizes and styles, tips are lot-tracked for process control and traceability.



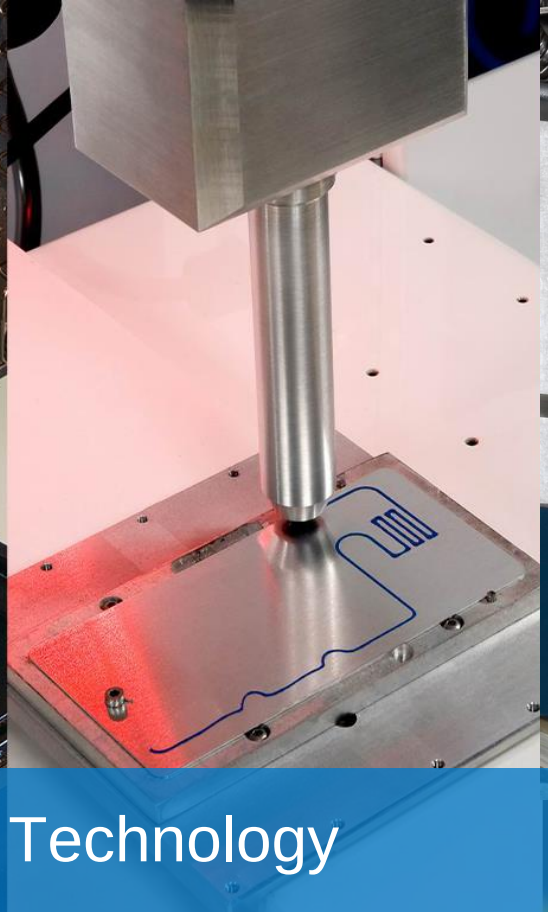
Life Sciences
Fluid Management Components

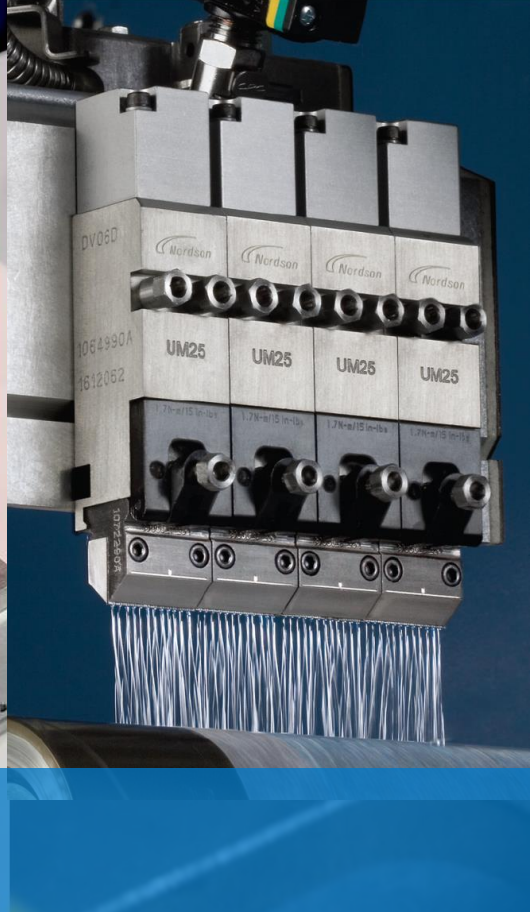
From specialty tubing, catheters, medical balloons, quick-connect couplings and couplers, Nordson is an expert in the design, development and manufacture of complex medical devices and component technologies.











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

Industrial Coating Systems



Nordson

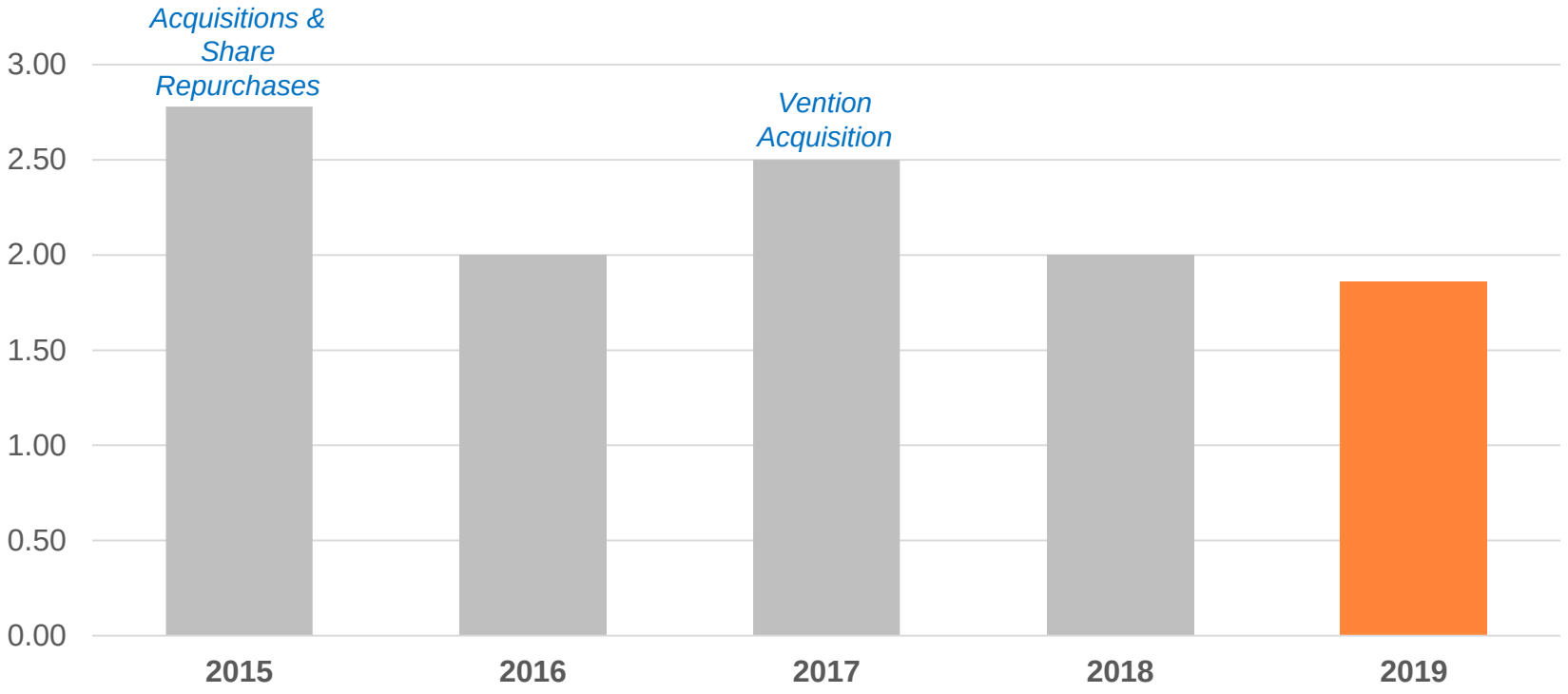
Appendix:
Historic Financials

Strong Capital Management

Net Debt to EBITDA*

Strong cash generation lets Nordson de-lever quickly

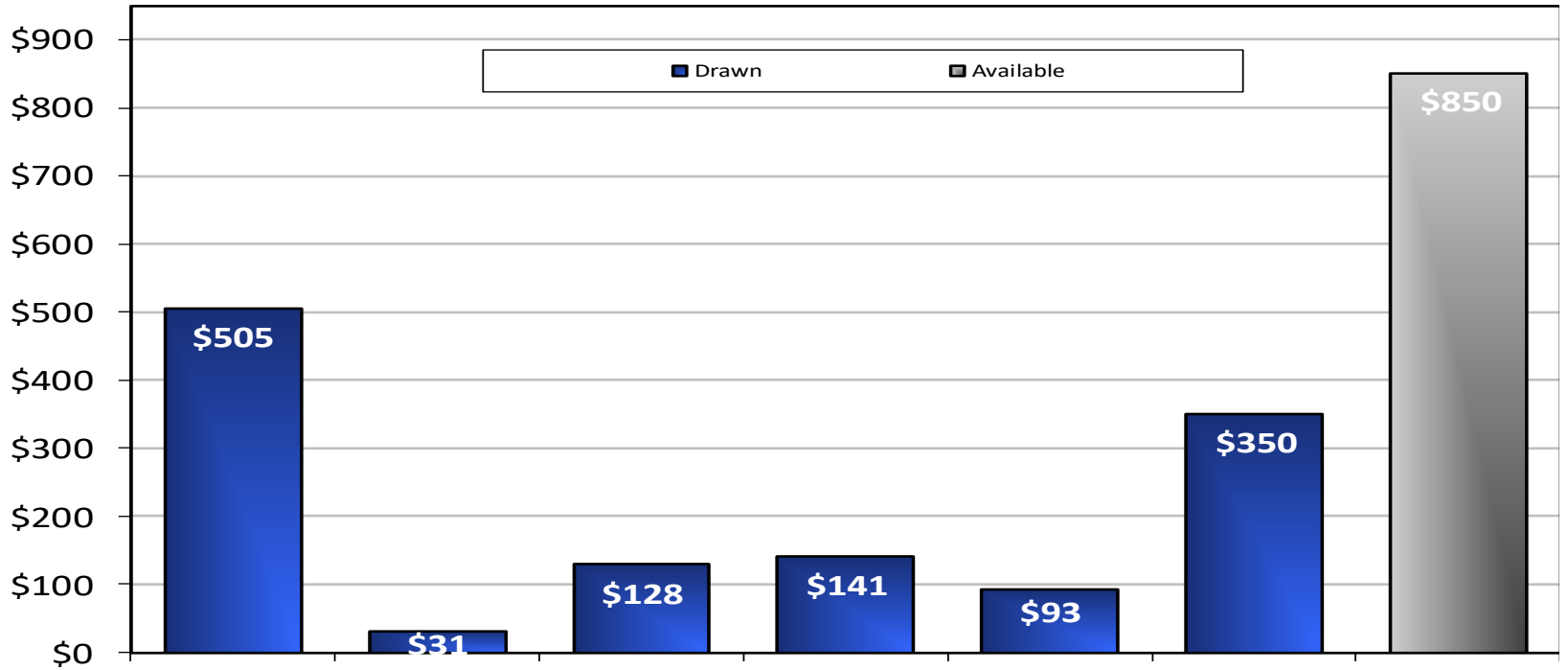
At 10/31/2019 Net Debt to TTM EBITDA = 1.9 times



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

Strong Capital Management

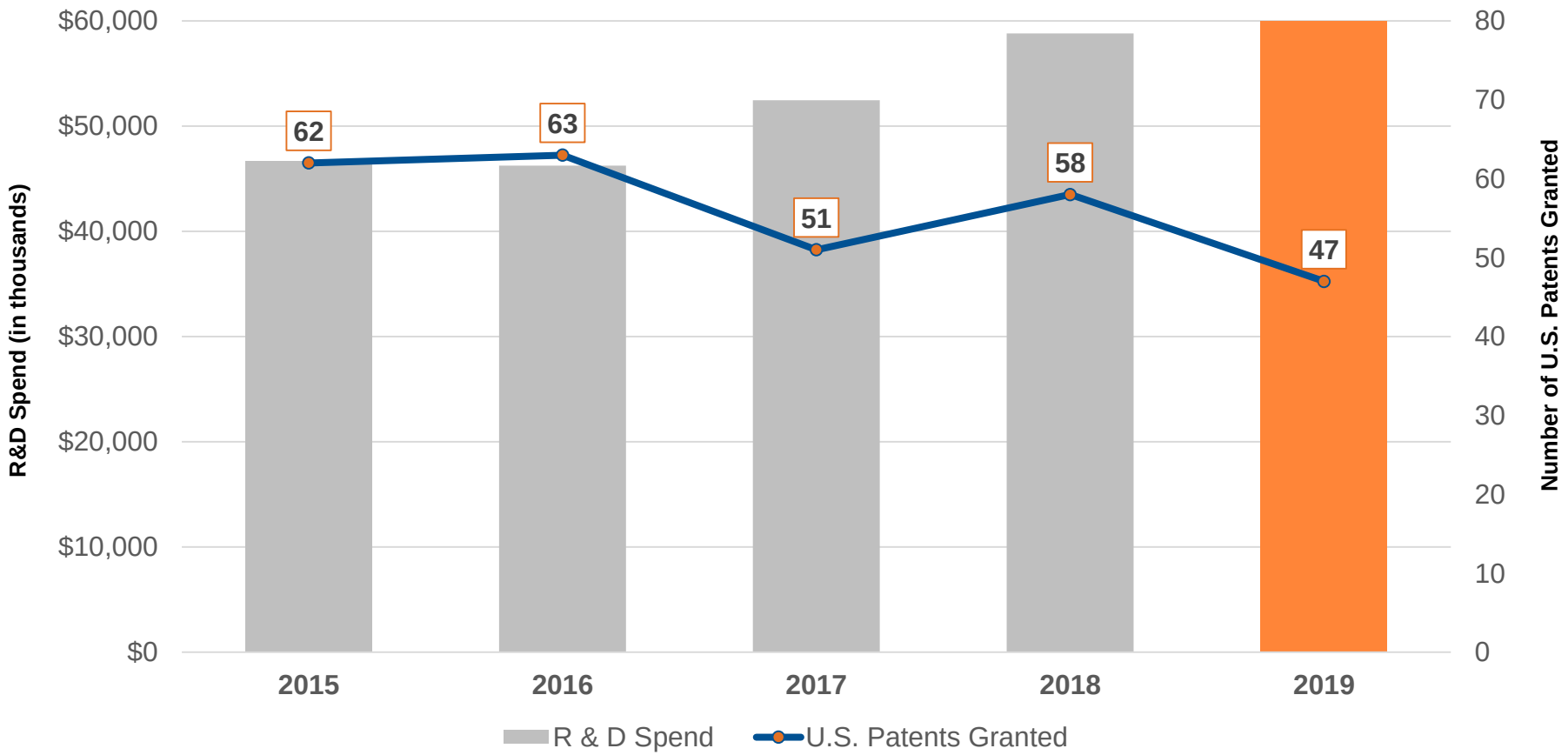
Debt Position (as of 10/31/19)



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 ▪$205M –at 80.0 bps, maturity 3/31/24	▪Amortizing avg rate: 2.50% ▪Remaining avg. life: 0.34 yrs	▪Maturity 10/15/21 at 100.0 bps over EUR Libor ▪EUR denominated	▪Amortizing avg rate: 3.05% ▪Remaining avg. life: 2.76 yrs	▪Amortizing avg. rate: 3.05% ▪Remaining avg. life: 4.59 yrs	▪Amortizing avg. rate: 3.90% ▪Remaining avg. life: 6.05 yrs	▪Ends April, 2024 ▪78.5 bps over USD Libor at 7/31/19

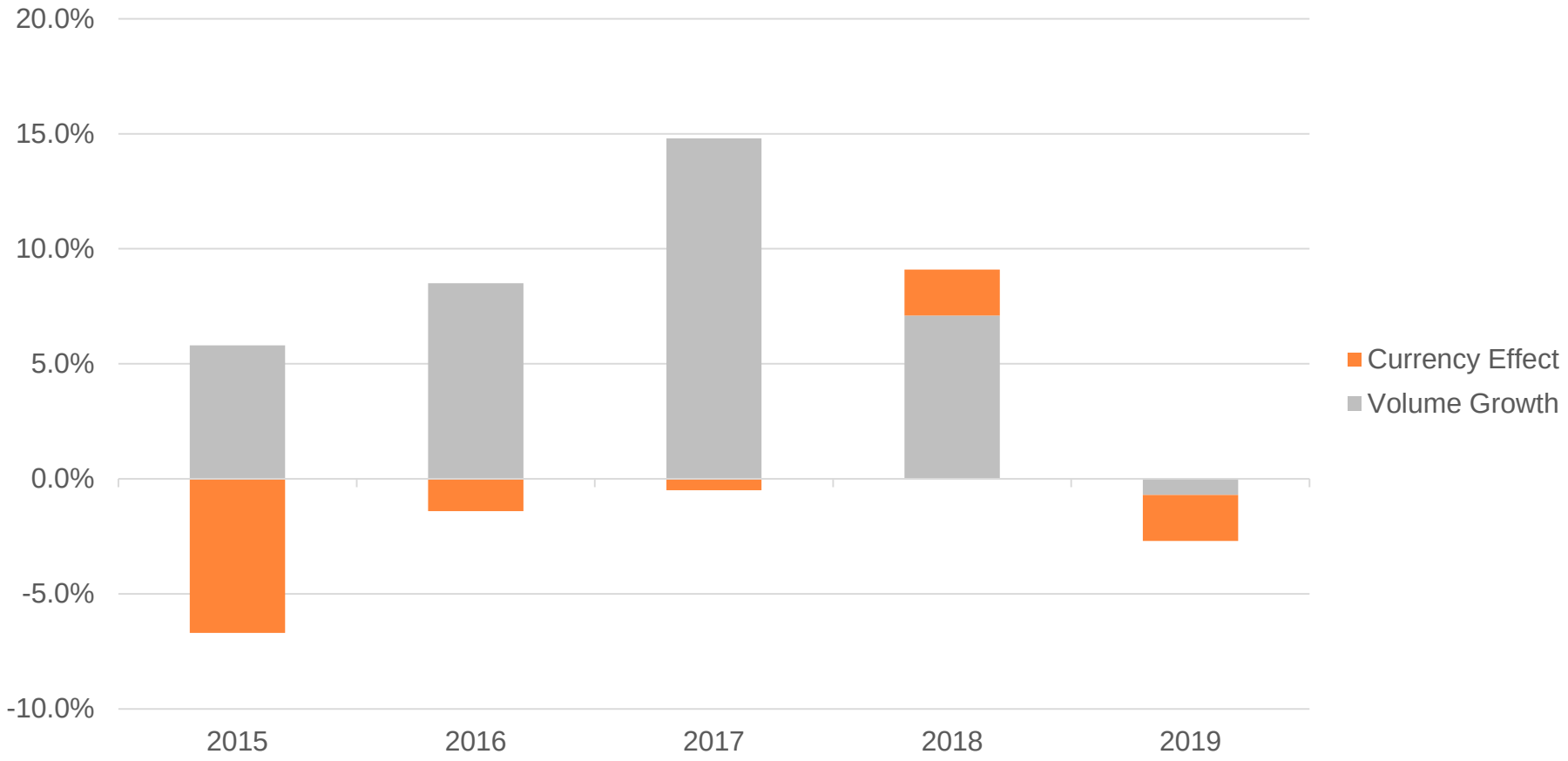
Innovation Drives Organic Growth

Steady Stream of New Products



Currency Impact

Annual Sales Growth and EPS



FX Impact to EPS:	($0.54)	($0.19)	($0.03)	$0.24	($0.30)

Appendix:
Financial Exhibits

Nordson Corporation

2015 – 2019 Sales Growth

Nordson Corporation

	Organic	Acquisitive	Currency	Total
FY2015	3.4%	2.4%	-6.7%	-0.9%
FY2016	6.5%	2.0%	-1.4%	7.1%
FY2017	7.9%	6.9%	-0.5%	14.3%
FY2018	2.5%	4.6%	2.0%	9.1%
FY2019	-1.1%	0.4%	-2.0%	-2.7%
5 yr avg	**3.8%**	**3.3%**	**-1.7%**	**5.4%**

Adhesive Dispensing Systems

	Organic	Acquisitive	Currency	Total
FY2015	2.0%	0.3%	-9.4%	-7.1%
FY2016	6.2%	0.7%	-1.7%	5.2%
FY2017	4.3%	0.0%	-0.2%	4.1%
FY2018	1.5%	0.0%	2.8%	4.3%
FY2019	2.4%	0.0%	-2.8%	-0.4%
5 yr avg	**3.3%**	**0.2%**	**-2.3%**	**1.2%**

Advanced Technology Systems

	Organic	Acquisitive	Currency	Total
FY2015	1.7%	6.9%	-2.9%	5.7%
FY2016	10.1%	4.6%	-0.8%	13.9%
FY2017	15.1%	18.3%	-0.7%	32.7%
FY2018	3.8%	10.7%	1.3%	15.8%
FY2019	-4.6%	0.9%	-1.4%	-5.1%
5 yr avg	**5.2%**	**8.3%**	**-0.9%**	**12.6%**

Industrial Coating Systems

	Organic	Acquisitive	Currency	Total
FY2015	12.5%	0.0%	-5.8%	6.7%
FY2016	-0.6%	0.0%	-1.6%	-2.2%
FY2017	0.8%	0.0%	-0.7%	0.1%
FY2018	1.1%	0.0%	1.6%	2.7%
FY2019	0.5%	0.0%	-1.5%	-1.0%
5 yr avg	**2.9%**	**0.0%**	**-1.6%**	**1.3%**

FOURTH QUARTER PERIOD
Period Ended October 31, 2019
(Unaudited)

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

CONSOLIDATED STATEMENT OF INCOME[1]

	Fourth Quarter		Year-to-Date	
	2019	2018	2019	2018
Sales	$ 585,451	$ 569,295	$ 2,194,226	$ 2,254,668
Cost of sales	266,476	261,431	1,002,123	1,018,340
Selling & administrative expenses	179,315	191,067	708,990	733,749
Operating profit	139,660	116,797	483,113	502,579
Interest expense - net	(10,216)	(11,847)	(45,301)	(48,192)
Other income (expense) - net	(2,162)	(762)	(6,708)	(5,868)
Income before income taxes	127,282	104,188	431,104	448,519
Income taxes	24,609	17,486	94,013	71,144
Net Income	$ 102,673	$ 86,702	$ 337,091	$ 377,375
Return on sales	18%	15%	15%	17%
Return on average shareholders' equity	26%	24%	23%	28%

CONSOLIDATED BALANCE SHEET

	October 31 2019	October 31 2018
Cash and marketable securities	$ 151,164	$ 95,678
Receivables	530,765	491,423
Inventories	283,399	264,477
Other current assets	45,867	32,524
Total current assets	1,011,195	884,102
Property, plant & equipment - net	398,895	386,666
Other assets	2,106,357	2,150,244
	$ 3,516,447	$ 3,421,012
Notes payable and debt due within one year	$ 168,738	$ 28,734
Accounts payable and accrued liabilities	308,888	321,546
Total current liabilities	477,626	350,280
Long-term debt	1,075,404	1,285,357
Other liabilities	382,372	334,634
Total shareholders' equity	1,581,045	1,450,741
	$ 3,516,447	$ 3,421,012

Average common shares outstanding (000's)	57,456	58,085	57,462	57,970
Average common shares and common share equivalents (000's)	58,255	58,994	58,202	58,931
Per share:				
Basic earnings	$ 1.79	$ 1.49	$ 5.87	$ 6.51
Diluted earnings	$ 1.76	$ 1.47	$ 5.79	$ 6.40
Dividends paid	$ .38	$ .35	$ 1.43	$ 1.25
Total dividends	$ 21,820	$ 20,334	$ 82,145	$ 72,443

Other information:

Employees	7,579	7,536
Common shares outstanding (000's)	57,600	58,037

[1] Results for the three and twelve months ended October 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 $2.2 million & $8.0 million for the three and twelve months ended October 31, 2018, respectively, and a corresponding increase of $2.2 million & $8.0 million to other expense for the three and twelve months ended October 31, 2018, respectively, with no net impact to net income or earnings per share.

FOURTH QUARTER PERIOD
Period Ended October 31, 2019
(Unaudited)

NORDSON CORPORATION
FINANCIAL HIGHLIGHTS
(Dollars in thousands)

SALES BY BUSINESS SEGMENT	Fourth Quarter 2019	Fourth 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	$ 253,694	$ 250,825	2.7%	-1.6%	1.1%	$ 950,917	$ 955,192	2.4%	-2.8%	-0.4%
Advanced technology systems	249,000	250,231	0.5%	-1.0%	-0.5%	985,850	1,039,366	-3.7%	-1.4%	-5.1%
Industrial coating systems	82,757	68,239	22.1%	-0.8%	21.3%	257,459	260,110	0.5%	-1.5%	-1.0%
Total sales by business segment	$ 585,451	$ 569,295	4.0%	-1.2%	2.8%	$ 2,194,226	$ 2,254,668	-0.7%	-2.0%	-2.7%

OPERATING PROFIT BY BUSINESS SEGMENT[1]	Fourth Quarter 2019	Fourth Quarter 2018	Year-to-Date 2019	Year-to-Date 2018
Adhesive dispensing systems	$ 78,623	$ 69,031	$ 275,216	$ 262,627
Advanced technology systems	54,727	51,232	205,609	244,880
Industrial coating systems	20,730	14,193	53,838	52,421
Corporate	(14,420)	(17,659)	(51,550)	(57,349)
Total operating profit by business segment	$ 139,660	$ 116,797	$ 483,113	$ 502,579

SALES BY GEOGRAPHIC REGION	Fourth Quarter 2019	Fourth 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	$ 206,874	$ 184,666	12.0%	-	12.0%	$ 758,383	$ 720,832	5.2%	-	5.2%
Americas	44,503	46,689	-3.3%	-1.4%	-4.7%	167,661	158,837	7.4%	-1.8%	5.6%
Europe	145,946	174,724	-13.3%	-3.2%	-16.5%	571,596	622,108	-3.3%	-4.8%	-8.1%
Japan	37,190	34,506	3.5%	4.3%	7.8%	126,756	161,771	-22.2%	0.6%	-21.6%
Asia Pacific	150,938	128,710	19.0%	-1.7%	17.3%	569,830	591,120	-1.3%	-2.3%	-3.6%
Total Sales by Geographic Region	$ 585,451	$ 569,295	4.0%	-1.2%	2.8%	$ 2,194,226	$ 2,254,668	-0.7%	-2.0%	-2.7%

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

FOURTH QUARTER ENDED
Period Ended October 31, 2019
(Unaudited)

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

EBITDA	Fourth Quarter		Year-to-Date	
	2019	2018	2019	2018
Net income	$ 102,673	$ 86,702	$ 337,091	$ 377,375
Adjustments:				
Depreciation and amortization expense	26,913	27,370	110,244	108,407
Interest expense, net	10,216	11,847	45,301	48,192
Income taxes	24,609	17,486	94,013	71,144
EBITDA	$ 164,411	$ 143,405	$ 586,649	$ 605,118
Adjustments:				
Acquisition costs and adjustments [1]	342	-	530	3,484
EBITDA As Adjusted	$ 164,753	$ 143,405	$ 587,179	$ 608,602
EBITDA per diluted share	$ 2.82	$ 2.43	$ 10.08	$ 10.27
EBITDA As Adjusted per diluted share	$ 2.83	$ 2.43	$ 10.09	$ 10.33

[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. Therefore, the Company believes these financial measures provide useful information to investors. 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.

	Fourth Quarter		Year-to-Date	
	2019	2018	2019	2018
Diluted EPS as reported (U.S. GAAP)	$ 1.76	$ 1.47	$ 5.79	$ 6.40
Short-term inventory purchase accounting adjustments	-	-	0.01	0.05
Severance and restructuring	0.02	0.04	0.05	0.08
U.S. Tax Reform discrete item	-	(0.07)	0.08	(0.45)
Other discrete tax items	-	-	(0.07)	(0.15)
Diluted EPS as adjusted (Non-GAAP)	$ 1.79	$ 1.44	$ 5.87	$ 5.94

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.

FOURTH QUARTER ENDED
Period Ended October 31, 2019
(Unaudited)

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

Free Cash Flow Before Dividends	Fourth Quarter		Year-to-Date	
	2019	2018	2019	2018
Net income	$ 102,673	$ 86,702	$ 337,091	$ 377,375
Depreciation and amortization	26,913	27,370	110,244	108,407
Other non-cash charges	4,907	20,243	19,606	(9,025)
Changes in operating assets and liabilities	11,969	27,396	(84,048)	27,881
Net cash provided by operating activities	146,462	161,711	382,893	504,638
Additions to property, plant and equipment	(18,242)	(43,818)	(64,244)	(89,790)
Proceeds from the sale of property, plant and equipment	248	159	1,285	458
Free cash flow before dividends	$ 128,468	$ 118,052	$ 319,934	$ 415,306
Adjustments:				
Acquisition costs and adjustments, net of tax[(1)]	276	-	416	2,658
Free cash flow before dividends, adjusted	$ 128,744	$ 118,052	$ 320,350	$ 417,964

[(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.