

INVESTOR PRESENTATION

April 16, 2021 I Nasdaq: NDSN

Nordson MEDICAL's LinkTech line of high-performance quick connect couplings are essential for the critical connections in the diagnostic equipment used to perform COVID-19 tests. With thousands of standard and custom styles, customers enjoy the best value, delivery performance, reliability, and validation support.

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

Certain statements contained in this release are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by terminology such as "may," "will," "should," "could," "expects," "anticipates," "believes," "projects," "forecasts," “outlook,” “guidance,” "continue," “target,” or the negative of such terms or comparable terminology. These statements reflect management’s current expectations and involve a number of risks and uncertainties. These risks and uncertainties include, but are not limited to, U.S. and international economic conditions, financial, and market conditions, currency exchange rates and devaluations, possible acquisitions including the Company’s ability to successfully integrate acquisitions; the Company's ability to successfully divest or dispose of businesses that are deemed not to fit with its strategic plan; the effects of changes in U.S. trade policy and trade agreements; the effects of changes in tax law; and the possible effects of events beyond our control, such as political unrest, acts of terror, natural disasters and pandemics, including the current coronavirus (COVID-19) pandemic and the other factors discussed in Item 1A (Risk Factors) in the Company’s most recently filed Annual Report on Form 10-K and in its Forms 10-Q filed with the Securities and Exchange Commission, which should be reviewed carefully. The Company undertakes no obligation to update or revise any forward-looking statement in this presentation.

Nordson



Nordson is an innovative precision technology company delivering top-tier growth with attractive margins and returns by serving diversified, attractive end markets around world.

Company Founded	*Sales	*EBITDA	Employees	Countries with Direct Presence
1954	$2.1B	$567M	7,500+	35+

*Sales and EBITDA for the full fiscal year ended 10/31/20.



By the Numbers

Consistent Record of Growth	Demonstrated Value to Customers	Disciplined focus on profitability	Solid Returns	Differentiated Product Portfolio*	Consistent value to shareholders
5% Sales Growth	**54%** Gross Margins	**27%** EBITDA Margins	**13%** ROIC	**1,926** Global Patents Held	**57 yrs.** of Annual Dividend Increases

Note: Financial amounts presented are averages of 2016 – 2020, except ROIC which is 2020

**Active Patents as of 10/31/20*

Commitment to ESG



Diversified Board of Directors

- 56% diverse board (3 gender and 2 racially or ethnically diverse)
- 8 out of 9 independent directors
- 7 years average tenure



Strong Culture and Values

- Nordson Impact – Invest 5% of domestic pretax earnings in communities
- Paid time off for volunteer hours
- Employee support programs, including special COVID-leave



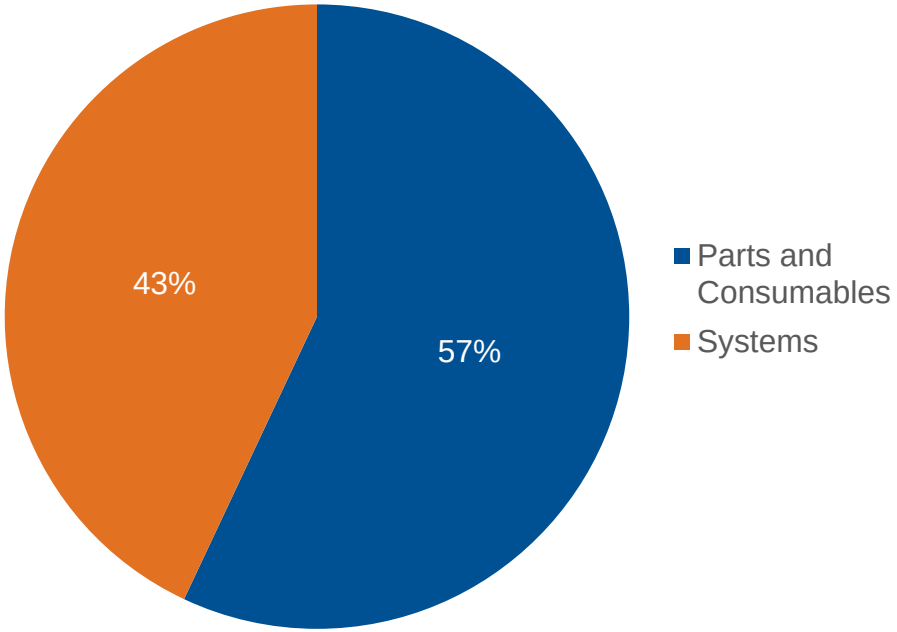
Environmental Stewardship

- Product design improvements focused on reducing customers' material utilization
- Journey to Zero adverse impacts to employees and community

Diversified Sources of Sales

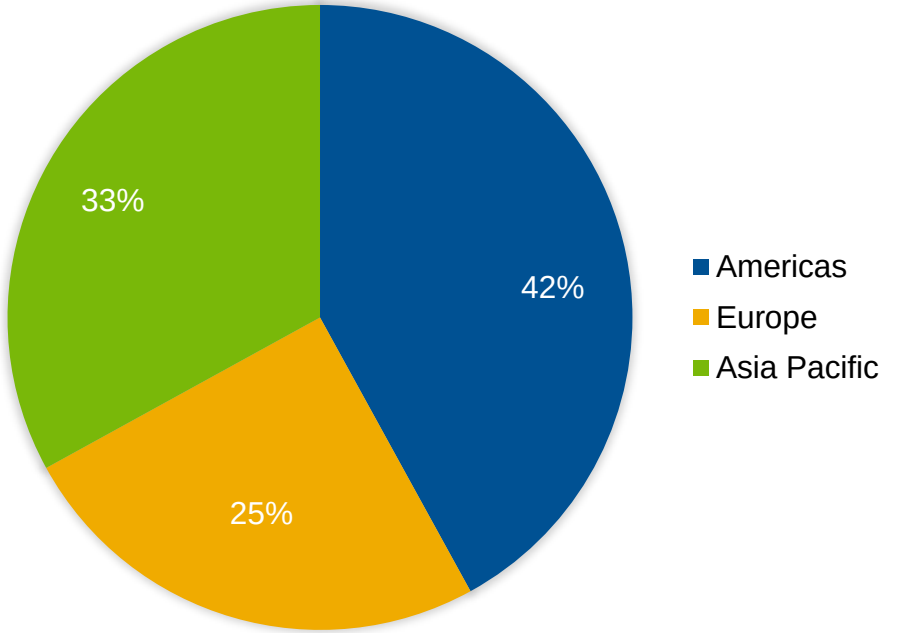
FY2020 Profile - $2.1 Billion

Product Type



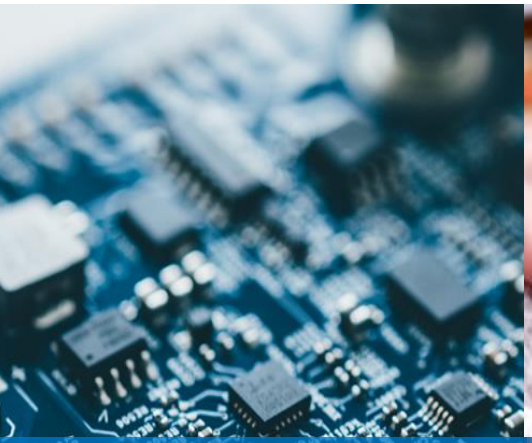
High percentage of recurring sales from parts and consumables.

Geographies



Nearly 65% of sales outside USA. Direct presence in over 35 countries.

Diversified End Markets



Electronics
27% of revenue

- Semiconductor packaging
- Wafer-level packaging
- Printed circuit boards
- Electronic component assembly – mobile phone, camera, ear buds, PC
- Automotive electronics



Consumer Non-Durables
26% of revenue

- Box sealing
- Baby diapers
- Convenience food packaging
- Beverage straw and spot attachment
- Container and bottle labeling



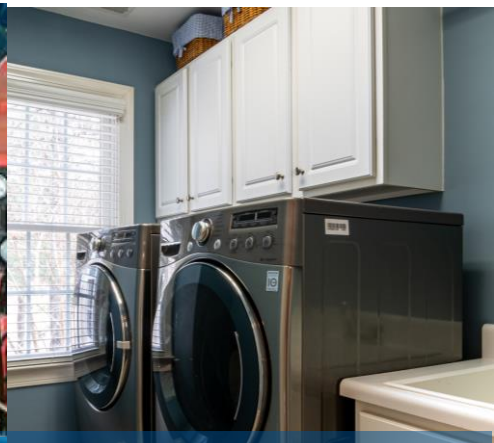
Medical
22% of revenue

- Balloons, extrusions, delivery catheters and other minimally invasive devices
- Single-use fittings, connectors, fluid transfer components in medical equipment and surgical procedures
- Single-use specialty cannula for cardio-pulmonary procedures



Industrial
14% of revenue

- Farm, construction and industrial machinery
- Rigid container
- Aerospace
- Chemical
- Defense
- Energy



Remaining Markets
11% of revenue

- Consumer durable
- Automotive
- Animal health & delivery systems

Note: Approximate fiscal 2020 revenue mix for directional use only.

How We Are Organized



INDUSTRIAL PRECISION SOLUTIONS

- Adhesives
- Polymer Processing Solutions
- Industrial Coatings Solutions

ADVANCED TECHNOLOGY SOLUTIONS

- Medical
- Electronic Processing Systems
- Test and Inspection
- Fluid Management

*Segment average mix for the full fiscal year ended 10/31/20

Industrial Precision Solutions

What We Do

Product lines reduce material consumption, increase line efficiency, and enhance product brand and appearance. Components are used for dispensing adhesives, coatings, paint, finishes, sealants and other materials. This business primarily serves the industrial, consumer durables and non-durables markets.

2020 Revenues

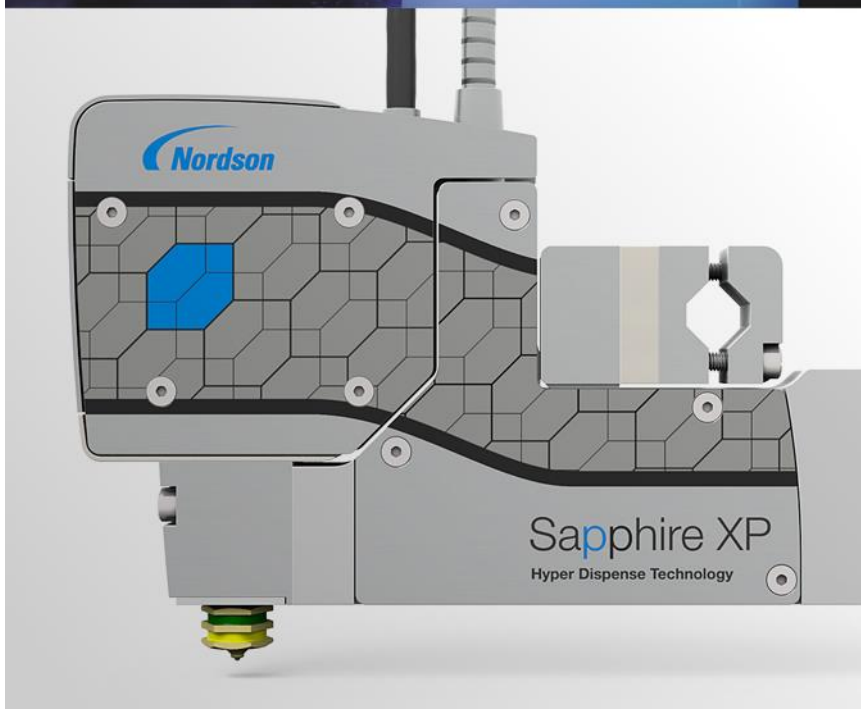
$1,143M

2020 Operating Margin*	2020 EBITDA
26%	30%

3%+ CAGR Long-Term Growth Driven By:

- Material, machinery and process innovations
- Emerging markets and product tiering
- New applications, including electric vehicle battery, automotive electronics, and fabric bonding
- Recapitalization of large installed base
- Deploying NBS Next in our divisions

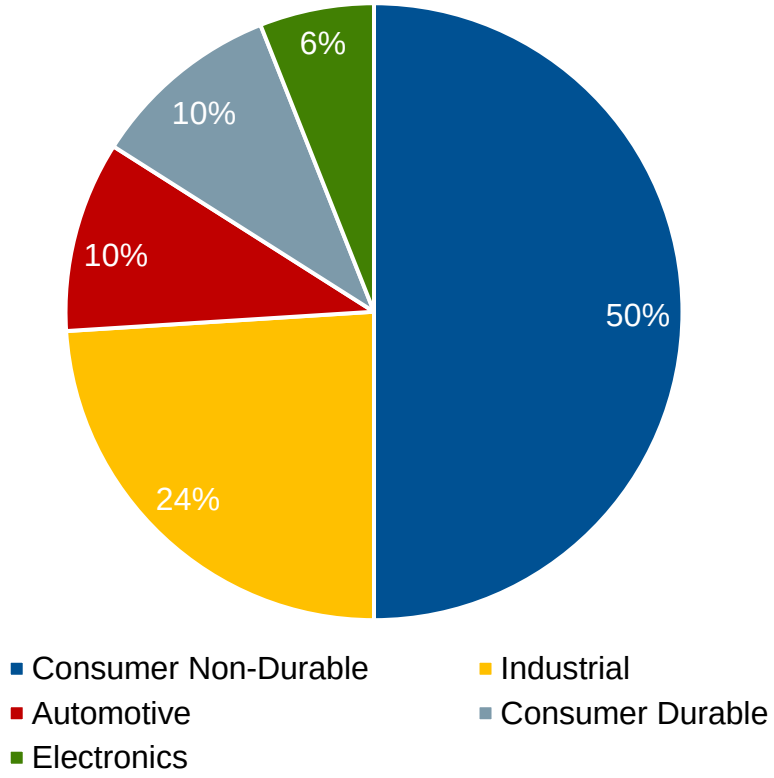




*Adjusted operating profit – see reconciliation in appendix

Industrial Precision Solutions

FY2020 Profile – Diverse end markets



End markets include:

- **Consumer Non-Durable:** beverage, disposable hygiene, food, paper, textiles, non-wovens, packaging
- **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 Durable**: appliance, furniture, lighting
- **Electronics:** electronic products (i.e. wearables), printed circuit boards, UV curing of semi-conductor wafers and other electronic components

*Percentages are for directional use only

Advanced Technology Solutions

What We Do

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

5%+ CAGR Long-Term Growth Driven By:

- Medical – Aging population, trends toward non-invasive surgical techniques and medical OEM outsourcing
- Electronics - Broad solutions across the electronics supply chain
- 5G / AI / Big Data / Auto Electronics / Autonomous Vehicles / High-Perf Computing
- Emerging markets
- Deploying NBS Next in our divisions

2020 Revenues
$978M

2020 Operating Margin*	2020 EBITDA
20%	27%

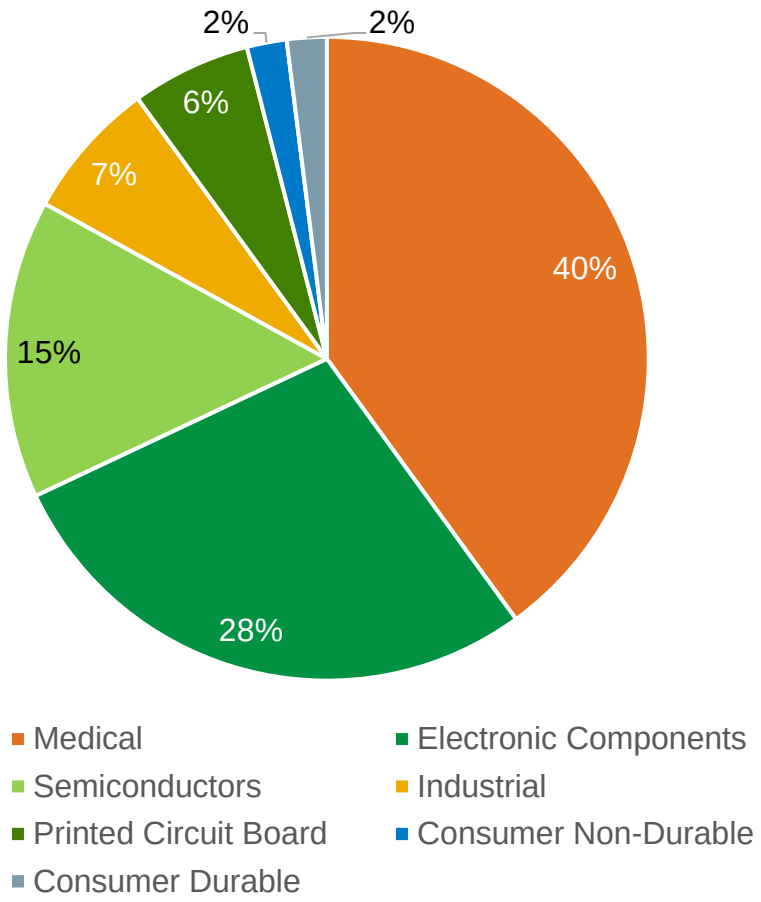




*Adjusted operating profit – see reconciliation in appendix

Advanced Technology Solutions

FY2020 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
- **Industrial:** aerospace, construction, defense, energy, industrial machinery
- **Consumer Durable**: general applications (i.e., furniture, lighting)
- **Consumer Non-Durable:** disposable hygiene, food, textiles

Why Invest in Nordson?

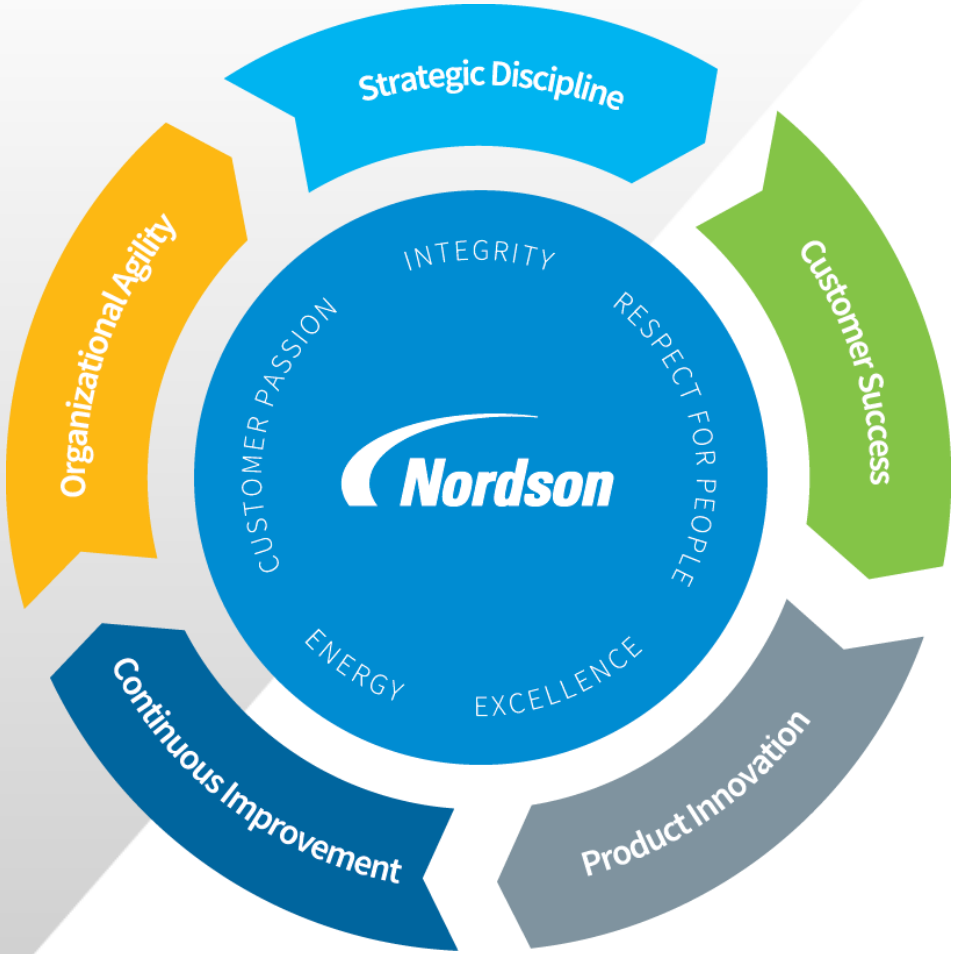
The Ascend Growth Strategy

Diversified Precision Technology Company, $3B Revenue and 30% EBITDA



NBS Next

GROWTH FRAMEWORK



Driving profitable growth by selecting and investing disproportionately in the best growth opportunities

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Owner Mindset

DIVISION-LED

Entrepreneurial division-led organization:

- **Decisions close to the customer**
- **Autonomy + Accountability**
- **Clear line of sight to deploying NBS Next**



Winning Teams

TALENT STRATEGY

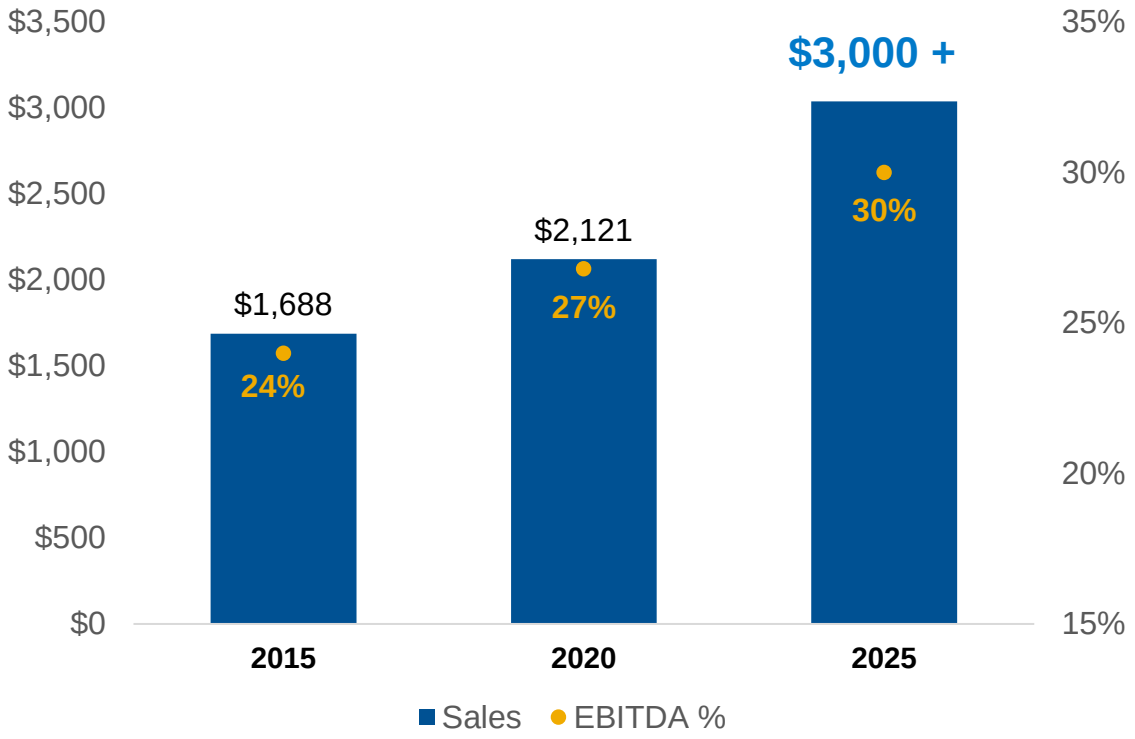
A key ingredient to successful execution of the Ascend strategy:

- **Leaders inspiring trust and building followership in the organization**
- **Focus on inclusion and diversity in everything we do**
- **Create an engaging culture that attracts and retains top talent**

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Ascend Long-Term Financial Targets

Top-tier growth with attractive margins and returns



	2015 - 2020	2020 - 2025
Sales CAGR	**5%**	**7%+**
EBITDA CAGR	**7%**	**10%**
Ending ROIC %	**13%**	**13%+**

Disciplined M&A Strategy



Strategic Criteria

- Differentiated precision technology based product portfolio
- Serving attractive high-growth end market applications
- Customer-centric business model



Financial Criteria

- Attractive organic growth rate with Nordson-like gross margins
- EBITDA ~20% with clear margin expansion opportunities
- ROIC > cost of capital in 3-5 years

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Capital Allocation Priorities

1 SUSTAINED INVESTMENT TO DRIVE ORGANIC GROWTH

- Increased R&D investment
- Sustained investment in direct sales model
- Capital investment for capacity expansion, efficiency improvements and base maintenance

2 DISCIPLINED M&A

- Differentiated precision technologies
- Financially disciplined
- Significant core competencies and competitive advantages to lever for ROIC & value creation

3 RETURN OF CAPITAL

- Strong history with 57-year of paying and increasing the annual dividend
- Offset compensation plan dilution
- Alternative measures will be routinely assessed to manage priorities

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Investment Thesis

1. Strong growth drivers enabling Nordson's future profitable growth performance

2. Proprietary precision technologies remain a competitive advantage

3. NBS Next is the framework driving our profitable growth

4. Ascend Strategy will deliver top tier financial performance
   - Sustained organic growth
   - Accelerate acquisitive growth
   - Clear financial measures of success

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Q1 F21 Financial Results

2021 Q1 Highlights

Continuing to operate safely in pandemic environment



1. Returning to growth in comparison to first quarters 2020 and 2019
2. Continued deployment of NBS Next for long-term profitable growth
3. Optimistic about positive momentum in certain end markets

Total Company – 1Q 2021

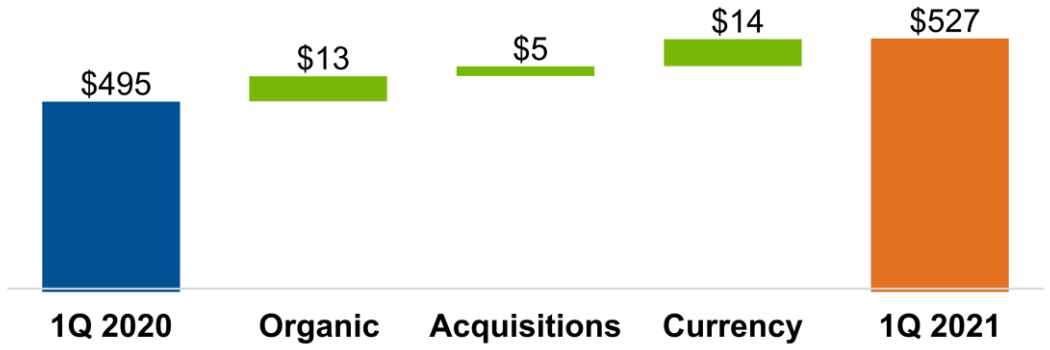
Sales Increased 6%

- Organic growth increased 3%
- Strength in consumer non-durable, industrial and test & inspection product lines
- Stability in medical end markets
- 1% acquisition and favorable currency

Operating Profit $109 million, 21% of sales

- Incremental margins of 97%
- Volume leverage and benefits from cost controls
- EBITDA* was 26% of sales

1Q 2021 Sales Bridge



	1Q 2020	1Q 2021	Δ
Sales	$494.9	$526.6	6%
Operating Profit*	$78.4	$109.0	39%
EBITDA*	$107.0	$135.0	26%
EPS GAAP	$0.89	$1.32	48%
EPS Adjusted*	$0.89	$1.32	48%

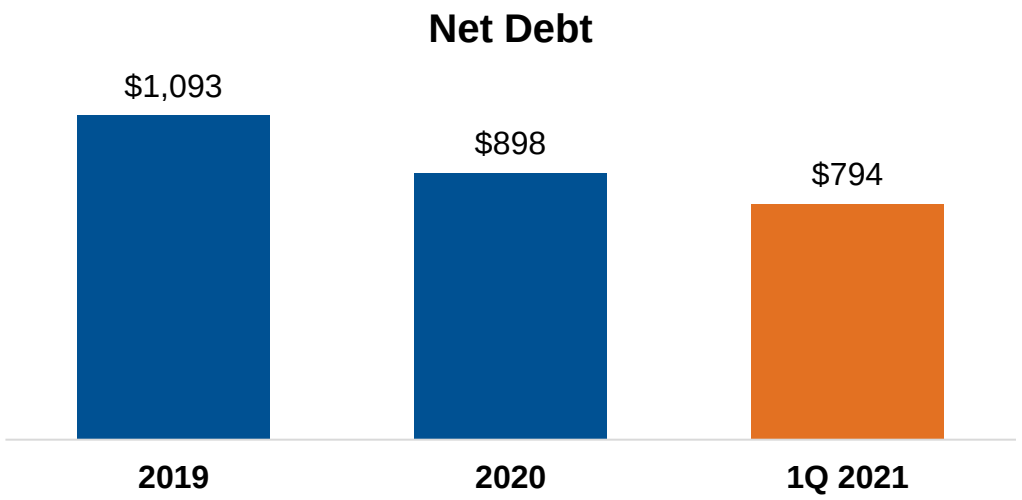
*Non-GAAP numbers - See appendix for reconciliation. In millions except for per share data.

Balance Sheet and Cash Flow

Strong Cash Flow with Sufficient Liquidity to Invest in Strategic Initiatives

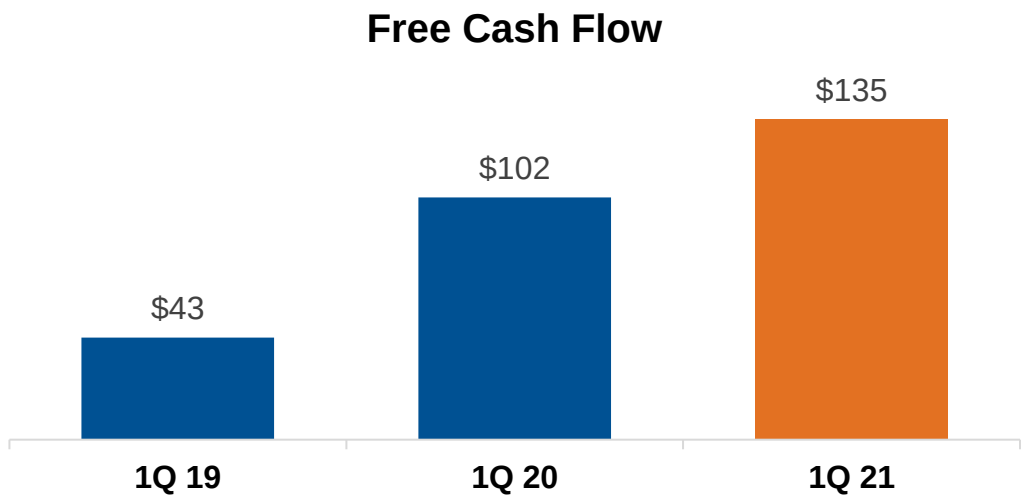
Net Debt

- Cash totaled $226 million
- Net debt was $794 million
- 1.3X leverage ratio based on trailing 12-month EBITDA



Free Cash Flow

- 175% of net income
- Higher net income and working capital liquidation contributed favorably to cash flow

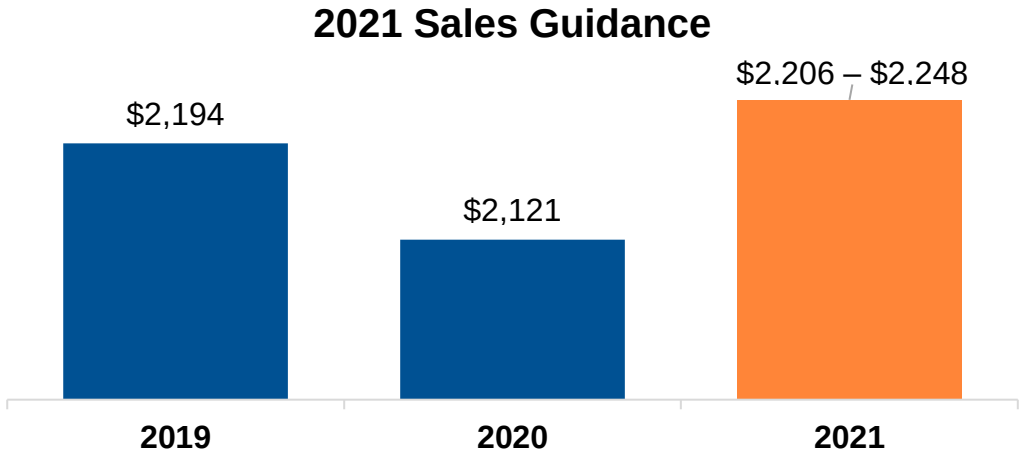


Full-Year Fiscal 2021 Guidance

Returning to Growth in Fiscal 2021

Fiscal 2021 Guidance

- Sales growth of ~4% to 6%
- Earnings per diluted share in the range of $6.30 to $6.70; growth of ~15% to 22%
- Backlog of $495 million, ~7% increase from prior year
- Trailing twelve-week order entry is up over prior year





*Non-GAAP numbers - See appendix for reconciliation.

Appendix:

Financial Exhibits

Reconciliation of Non-GAAP Measures

Adjusted Operating Profit and EBITDA (Dollars in thousands)

	Three months ended			
	January 31, 2021		January 31, 2020	
SALES BY SEGMENT				
Industrial precision solutions	$ 288,416		$ 263,799	
Advanced technology solutions	238,150		231,117	
Total sales	$ 526,566		$ 494,916	
OPERATING PROFIT				
Industrial precision solutions	$ 83,403		$ 56,404	
Advanced technology solutions	47,201		32,287	
Corporate	(21,579)		(13,598)	
Total operating profit	$ 109,025		$ 75,093	
OPERATING PROFIT ADJUSTMENTS [1]				
Industrial precision solutions	$ —		$ 299	
Advanced technology solutions	—		2,970	
Corporate	—		—	
Total adjustments	$ —		$ 3,269	
ADJUSTED OPERATING PROFIT (NON-GAAP) [2]		% of Sales		% of Sales
Industrial precision solutions	$ 83,403	29%	$ 56,703	21%
Advanced technology solutions	47,201	20%	35,257	15%
Corporate	(21,579)		(13,598)	
Total operating profit - adjusted	$ 109,025	21%	$ 78,362	16%
DEPRECIATION & AMORTIZATION				
Industrial precision solutions	$ 6,983		$ 9,827	
Advanced technology solutions	16,544		16,320	
Corporate	2,493		2,471	
Total depreciation & amortization	$ 26,020		$ 28,618	
EBITDA (NON-GAAP) [2]				
Industrial precision solutions	$ 90,386	31%	$ 66,530	25%
Advanced technology solutions	63,745	27%	51,577	22%
Corporate	(19,086)		(11,127)	
Total EBITDA	$ 135,045	26%	$ 106,980	22%

[1] Represents costs and adjustments related to cost structure simplification actions.

[2] Adjusted operating profit and EBITDA are non-GAAP measures used by management to evaluate the Company's ongoing operations. Adjusted operating profit is defined as operating profit plus certain adjustments, such as cost structure simplification actions. EBITDA is defined as adjusted operating profit plus depreciation and amortization.

Reconciliation of Non-GAAP Measures

Profitability (Dollars in thousands)

	Three Months Ended	
	January 31, 2021	January 31, 2020
GAAP AS REPORTED		
Operating profit	$ 109,025	$ 75,093
Other / interest expense - net	(11,213)	(11,998)
Net income	77,582	52,004
Diluted earnings per share	$ 1.32	$ 0.89
Shares outstanding - diluted	58,755	58,524
OPERATING PROFIT ADJUSTMENTS		
Severance and other	—	3,269
Adjustments net of tax	$ —	$ 2,563
Other discrete tax items	$ —	$ (2,537)
EPS effect of adjustments and other discrete tax items	$ —	$ —
NON-GAAP MEASURES-ADJUSTED PROFITABILITY		
Operating profit [1]	$ 109,025	$ 78,362
Operating profit % of sales	20.7 %	15.8 %
Net income [2]	$ 77,582	$ 52,030
Diluted earnings per share [3]	$ 1.32	$ 0.89

[1] Adjusted operating profit is defined as operating profit plus certain adjustments such as cost structure simplification actions. Adjusted operating profit as a percentage of sales is defined as adjusted operating profit divided by sales.

[2] Adjusted net income is defined as net income plus tax effected adjustments and other discrete tax items.

[3] Adjusted earnings is defined as GAAP EPS adjusted for tax effected adjustments and other discrete tax items.

Management uses these non-GAAP measures internally to make strategic decisions, forecast future results, and evaluate the Company's current performance. Given management's use of these non-GAAP measures, the Company believes these measures are important to investors in understanding the Company's current and future operating results as seen through the eyes of management. In addition, management believes these non-GAAP measures are useful to investors in enabling them to better assess changes in the Company's core business across different time periods. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures to other companies' non-GAAP financial measures, even if they have similar names. Amounts may not add due to rounding.

Non-GAAP Definitions

This presentation contains references to non-GAAP financial information. Although these are non-GAAP measures, we believe that they are useful to an investor in evaluating the company performance for the period presented. These non-GAAP definitions include:

- Adjusted operating profit is defined as operating profit plus certain adjustments, such as assets held for sale impairment charge, cost structure simplification actions, and non-cash inventory charges related to acquisitions.
- EBITDA is defined as adjusted operating profit plus depreciation and amortization.
- Return on Invested Capital is defined as adjusted operating profit after tax as a percentage of the sum of average debt (net of cash) plus average shareholders' equity.

Amounts may be rounded.

See the company's earnings release for the fiscal year ended October 31, 2020, for a reconciliation of the non-GAAP measures Adjusted Operating Profit and EBITDA.

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