

INVESTOR PRESENTATION

December 15, 2021 I NASDAQ: NDSN

Nordson Corporation offers semiconductor packaging solutions for a smart and connected world, serving global customers with innovative, precision technologies

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 that leverages a scalable growth framework to deliver top tier growth with leading margins and returns.

Company Founded	*Sales	*EBITDA	Employees	Countries with Direct Presence
1954	$2.4B	$719M	6,800+	35+

*Sales and EBITDA for the full fiscal year ended 10/31/21.



By the Numbers

Consistent Record of Growth	Demonstrated Value to Customers	Disciplined focus on profitability	Solid Returns	Differentiated Product Portfolio*	Consistent value to shareholders
6% Sales Growth	**55%** Gross Margins	**28%** EBITDA Margins	**18%** ROIC	**1,804** Global Patents Held	**58 yrs.** of Annual Dividend Increases

Note: Financial amounts presented are averages of 2017 – 2021, except ROIC which is 2021

**Active Patents as of 10/31/21*

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



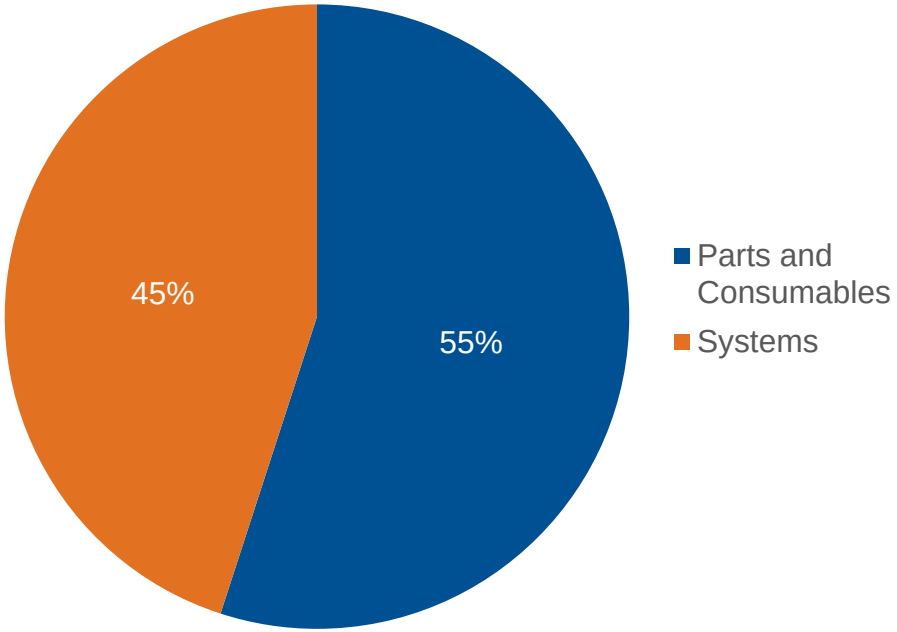
Environmental Stewardship

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

Diversified Sources of Sales

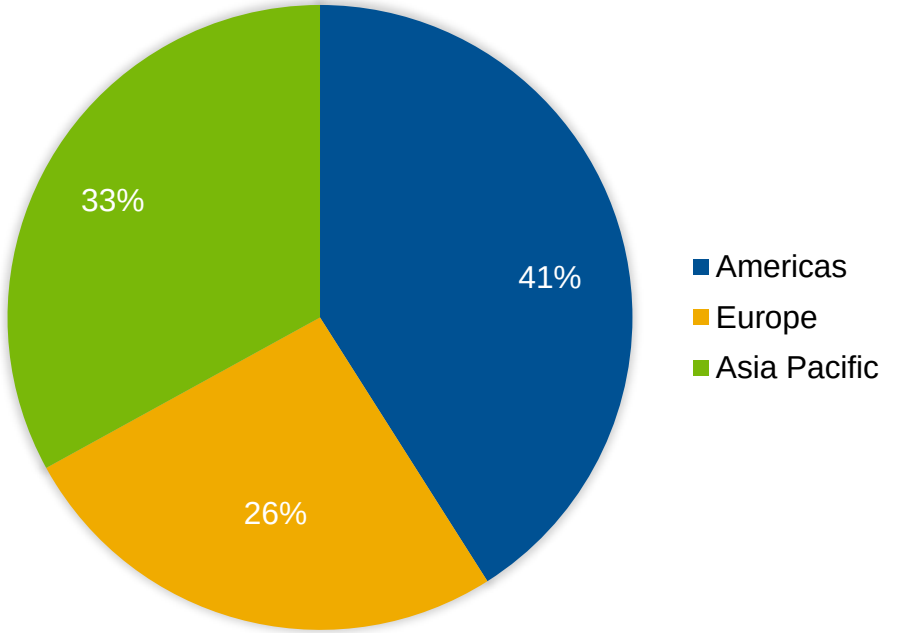
FY2021 Profile - $2.4 Billion

Product Type



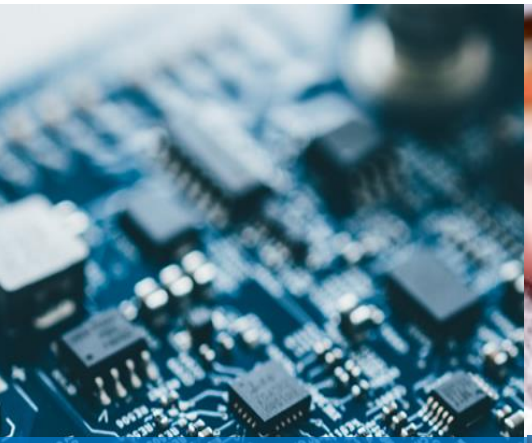
High percentage of recurring sales from parts and consumables.

Geographies



Nearly 67% of sales outside USA. Direct presence in over 35 countries.

Diversified End Markets



Electronics
29% of revenue

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



Consumer Non-Durables
24% of revenue

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



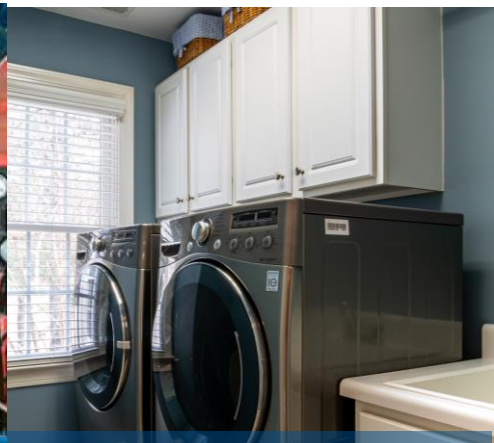
Medical
21% of revenue

- 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
12% of revenue

- Consumer durable
- Automotive
- Animal health & delivery systems

Note: Approximate fiscal 2021 revenue mix for directional use only.

How We Are Organized



INDUSTRIAL PRECISION SOLUTIONS			ADVANCED TECHNOLOGY SOLUTIONS			
Adhesives	Polymer Processing Solutions	Industrial Coatings Solutions	Medical	Electronic Processing Systems	Test and Inspection	Fluid Management

*Segment average mix for the full fiscal year ended 10/31/21

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.

2021 Revenues

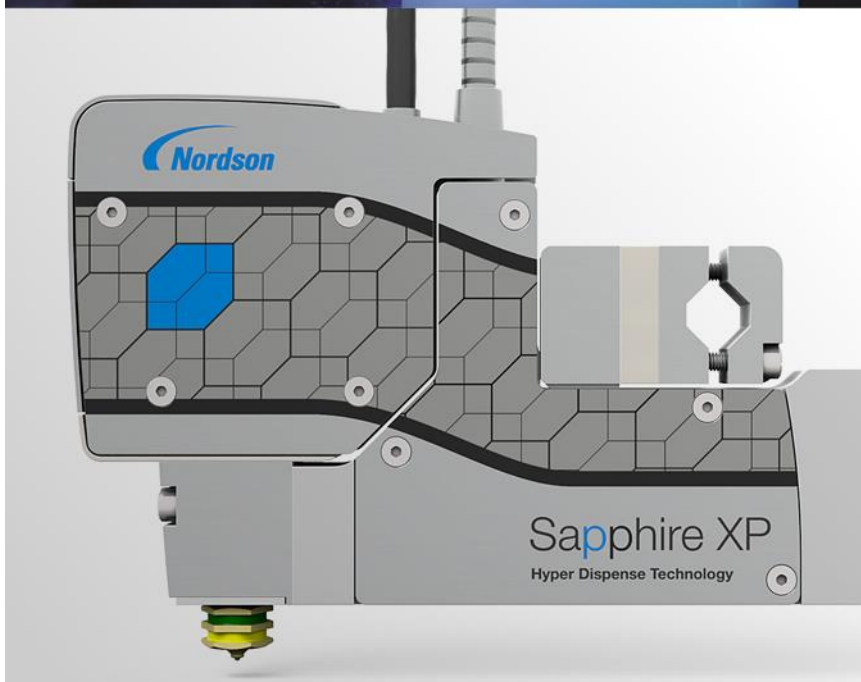
$1,247M

2021 Operating Margin*	2021 EBITDA
33%	35%

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

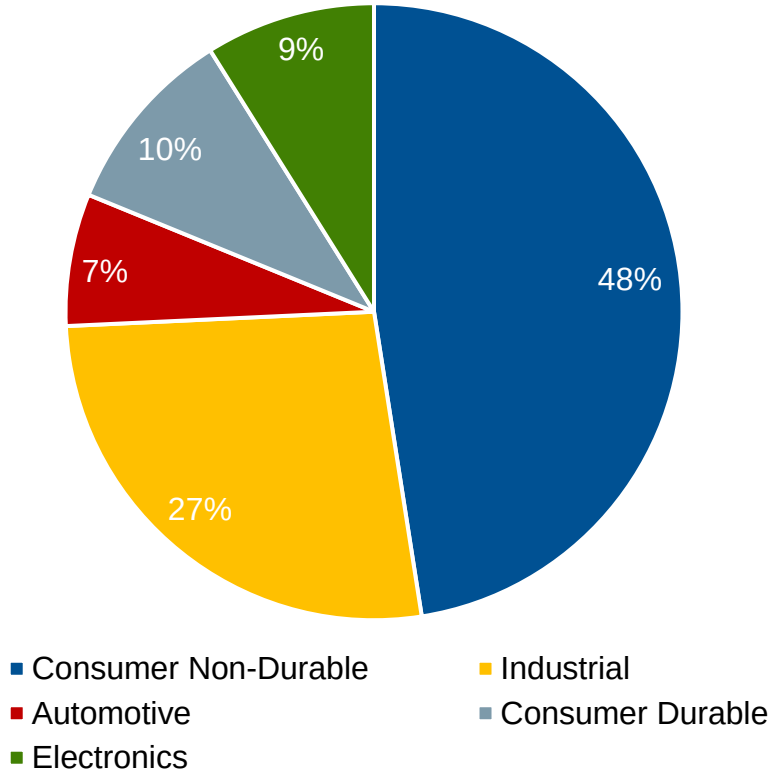




*Adjusted operating profit – see reconciliation in appendix

Industrial Precision Solutions

FY2021 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

2021 Revenues
$1,115M

2021 Operating Margin*	2021 EBITDA
24%	30%

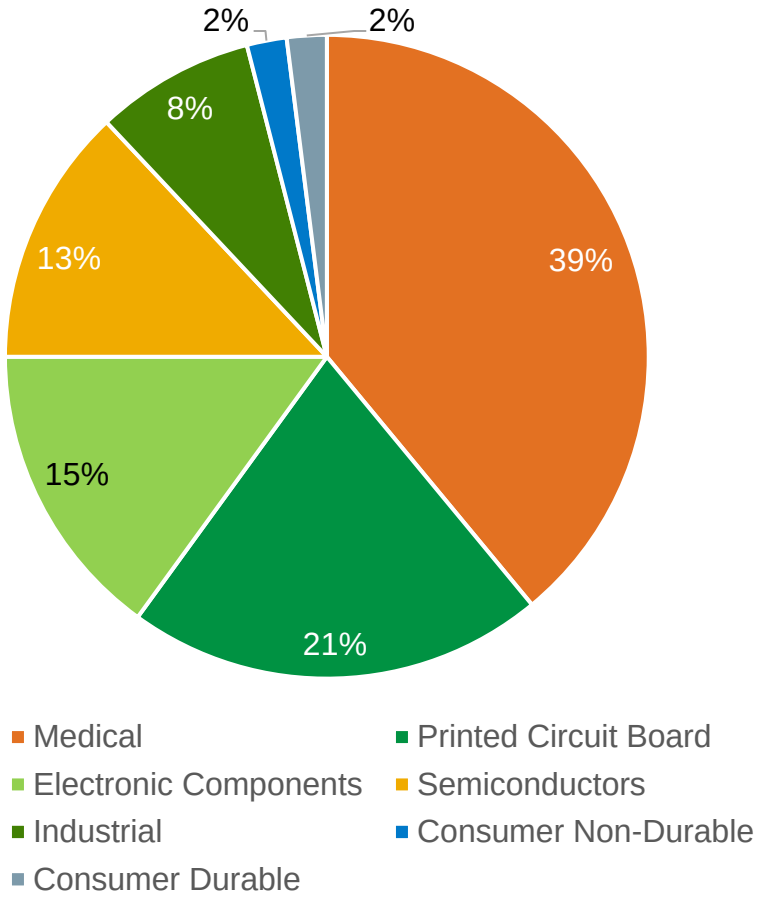




*Adjusted operating profit – see reconciliation in appendix

Advanced Technology Solutions

FY2021 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?

Ascend
STRATEGY

A Diversified Precision Technology Company

REVENUE	EBITDA
$3B+	30%

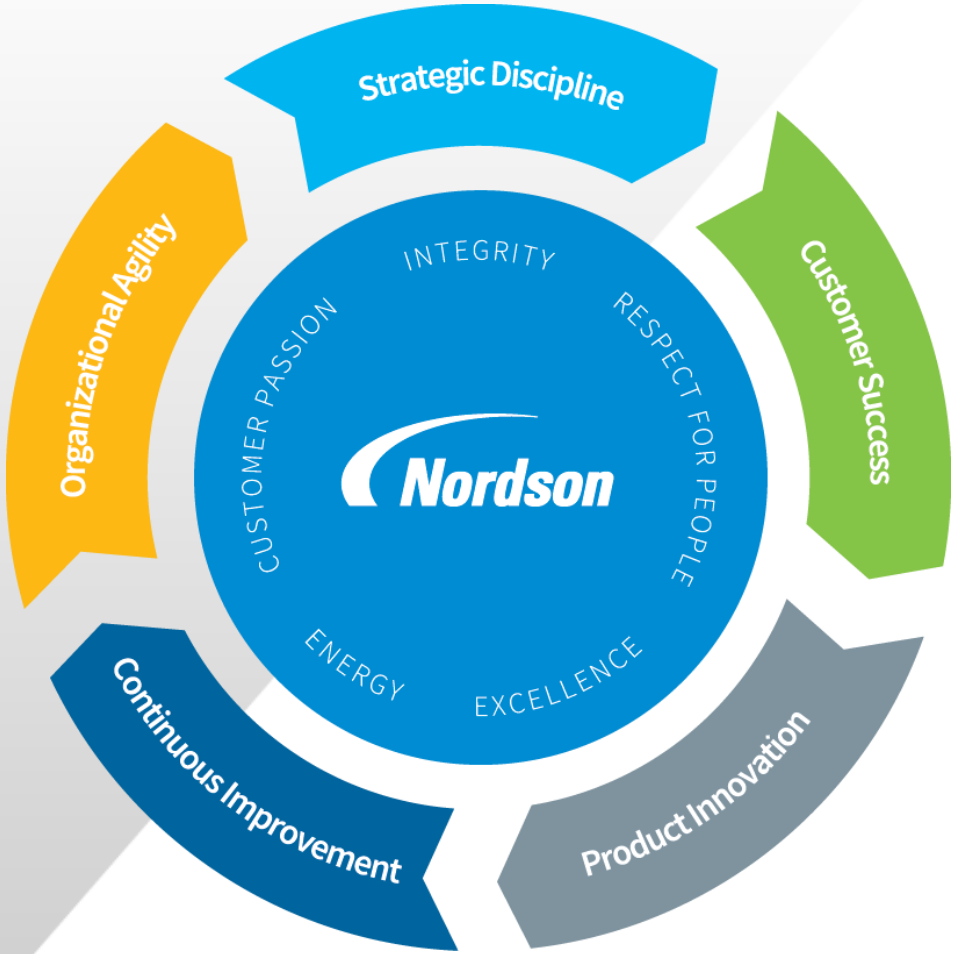
Long-term 2025 financial targets



Nordson

NBS Next

GROWTH FRAMEWORK



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

Nordson



Owner Mindset

DIVISION-LED

Entrepreneurial division-led organization:

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

Nordson



Winning Teams

TALENT STRATEGY

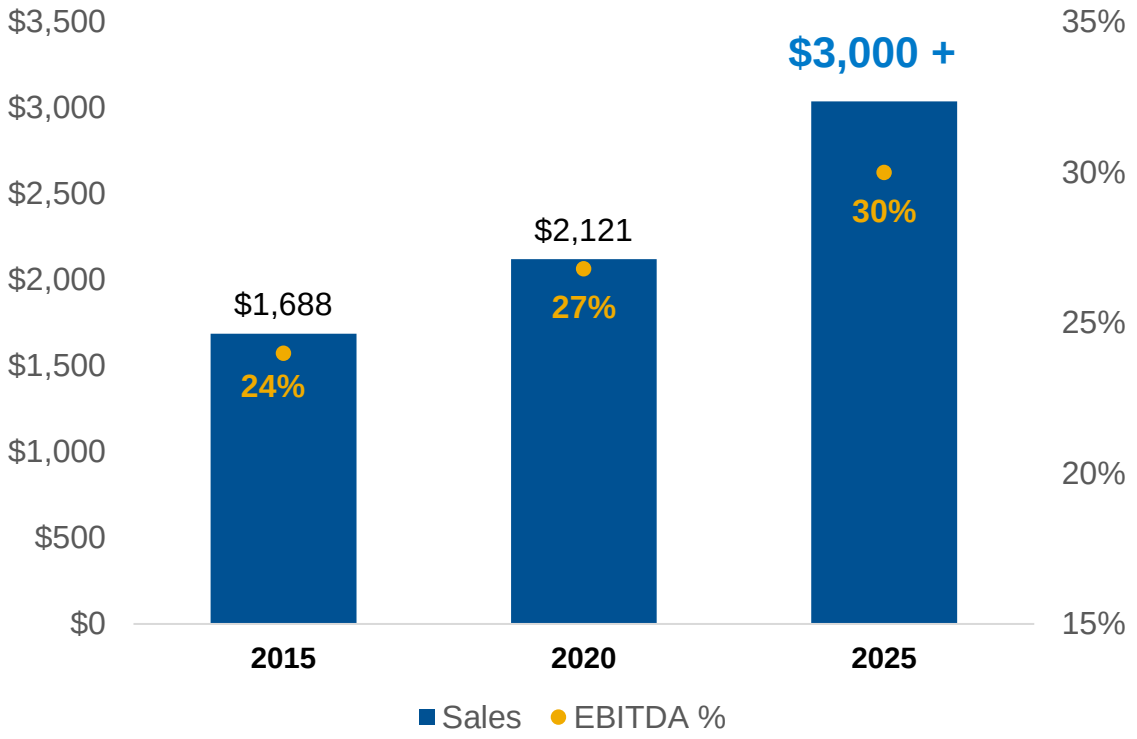
A key ingredient to successful execution of the Ascend strategy:

- **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**

Nordson

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

Nordson

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

Nordson

NDC Technologies Acquisition Highlights





Nordson

Ascend

STRATEGY

Differentiated technology expands test and inspection capabilities

- Adds proprietary technology with Nordson-like gross margins
- Offers adjacent technologies with differentiated capabilities
- Aligns with Nordson's customer-centric business model

Opportunity to leverage NBS Next and invest in growth opportunities

- Apply NBS Next growth framework to identify greatest opportunities for profitable growth
- Invest in and reinvigorate growth engine

Progress on Ascend Strategy to achieve top-tier growth with leading margins and returns

- Adds $90 million worth of annual revenue
- Growth and synergies will expand acquired EBITDA margin
- Deal closed November 1, 2021

Nordson

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

Nordson

Nordson

Q4 F21 Financial Results

4Q & FY2021 Highlights

Strong execution and NBS Next driving record results during economic recovery

- Record annual sales and operating profit performance, surpassing past records by over $100 million
- 4Q sales in line with expectations – solid finish to record year
- Second half of fiscal 2021 delivered 15% organic sales growth and 36% profit growth

Total Company – 4Q 2021

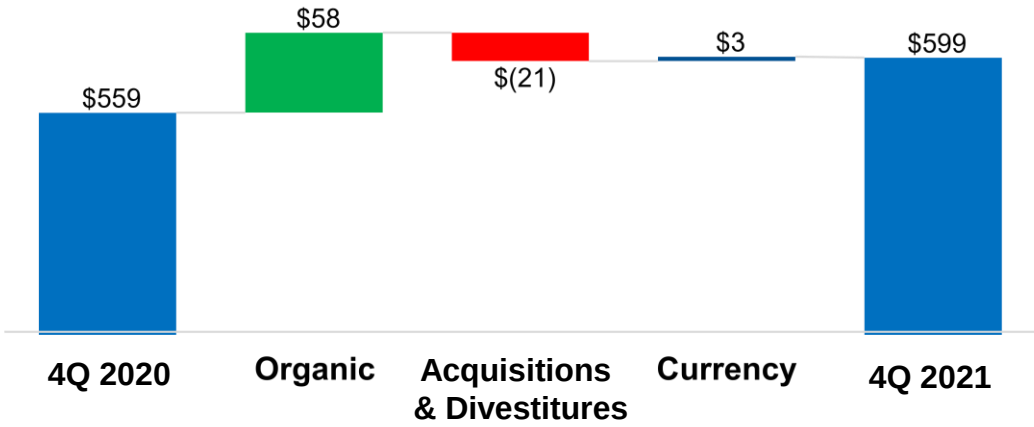
Sales

- Reported sales increased 7%; excluding divestiture, sales increase would have been 11%
- Organic growth increased 10%
- Solid growth in all product lines, particularly electronics, industrial, and medical end markets
- Pricing actions being taken to address inflation

Operating Profit

- Operating profit of $151 million, 25% of sales
- Incremental operating profit margins of 52%
- EBITDA margin was 30% of sales
- Volume leverage, benefits from cost controls, and favorable sales mix largely related to the divestiture contributed to the improvement

4Q 2021 Sales Bridge



	4Q 2020	4Q 2021	Δ
Sales	$558.5	$599.2	7%
Operating Profit*	$130.2	$151.4	16%
EBITDA*	$159.3	$177.1	11%
EPS GAAP	$0.31	$1.88	N/M
EPS Adjusted*	$1.59	$1.88	19%

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

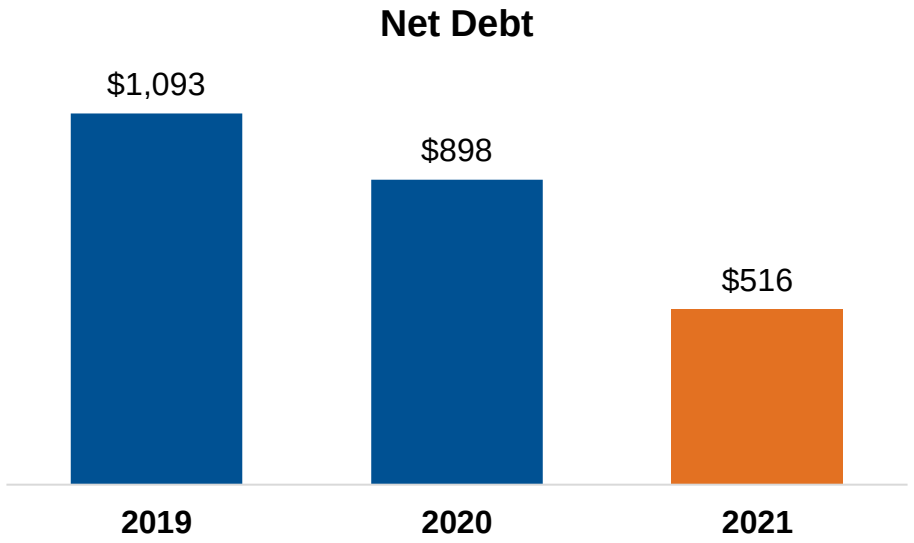
Numbers reflect adjusted operating profit – see reconciliation in appendix

Balance Sheet and Cash Flow

Strong Cash Flow with Sufficient Liquidity to Invest in Strategic Initiatives

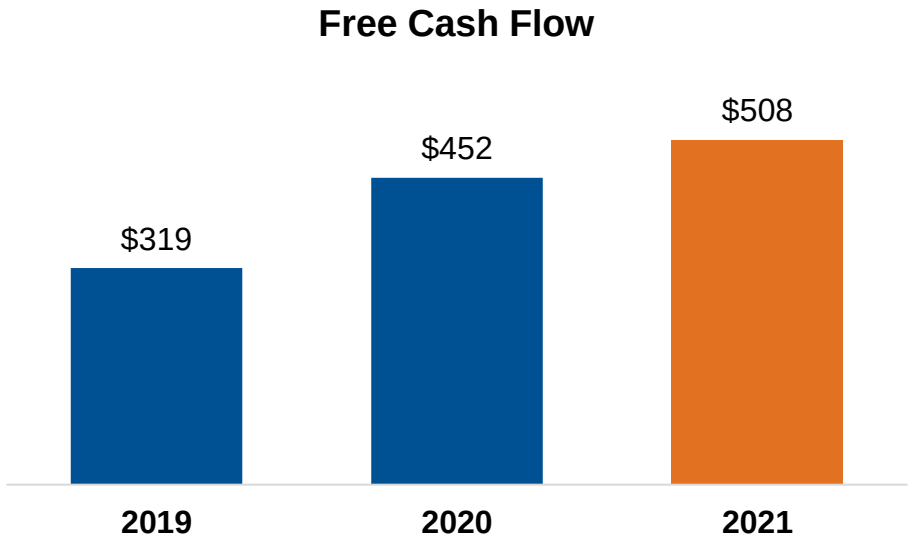
Net Debt

- Cash totaled $300 million, partially in anticipation of 1Q 2022 $180 million NDC Technologies acquisition
- 0.7 net debt leverage ratio based on trailing 12-month EBITDA



Free Cash Flow

- 112% of adjusted net income
- Strong $508 million Free Cash Flow inclusive of $97 million in pension contributions

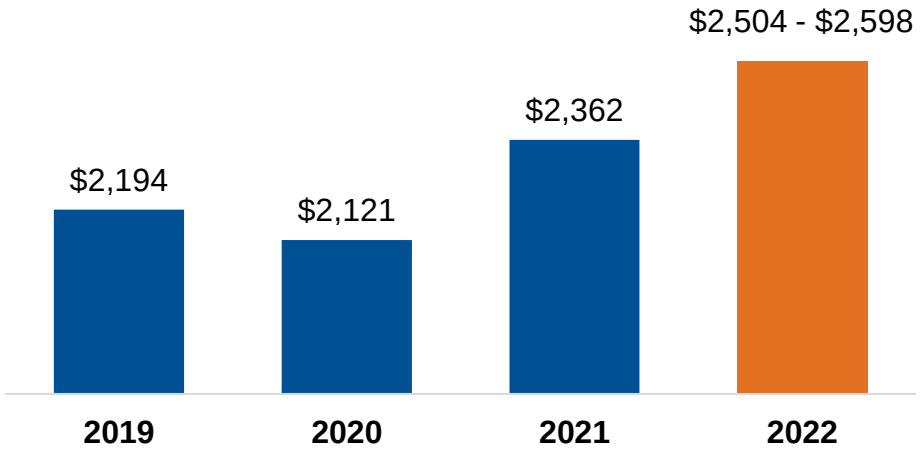


2022 Fiscal Full-Year Guidance

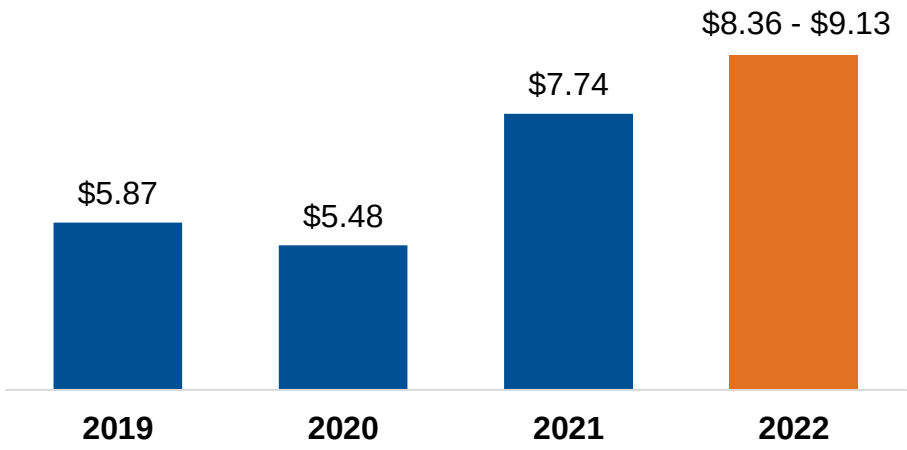
Full-Year Growth from Record 2021

- NBS Next Deployment throughout the business is advancing and delivering results
- Momentum heading into 2022 with strong 2H 2021 performance
- Fiscal 2022 sales growth of ~6-10%
- Adjusted earnings growth of ~8-18%

Full-Year Sales Guidance



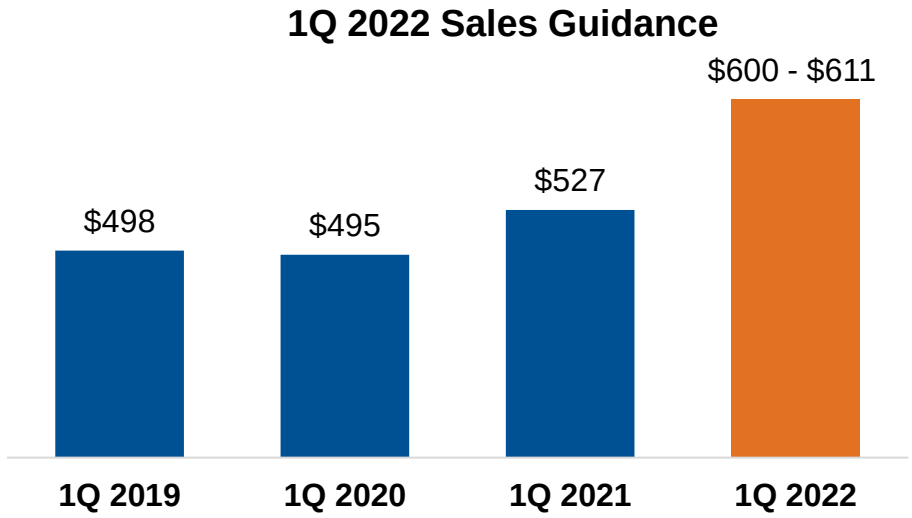
Full-Year Adjusted EPS Guidance

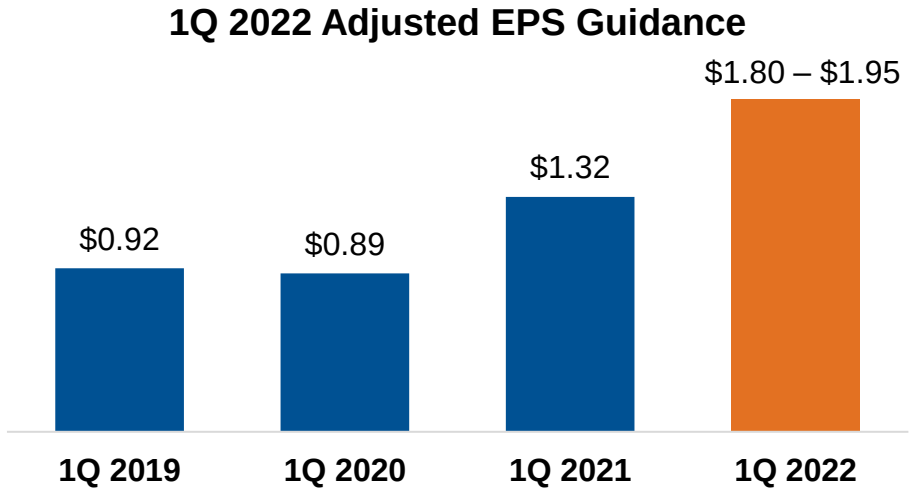


2022 Fiscal 1Q Guidance

Carrying 2021 Momentum into 1Q 22

- 1Q 22 Sales growth of ~14-16%
- 1Q 22 adjusted earnings per share increase of 36% - 48%
- Backlog at year-end has increased ~90% compared to prior year due to customers' extended shipment request dates
- Trailing twelve-week order entry is 25% above prior year
- Traditional seasonality no longer applicable with 1Q 2022 being comparable to 4Q 2021





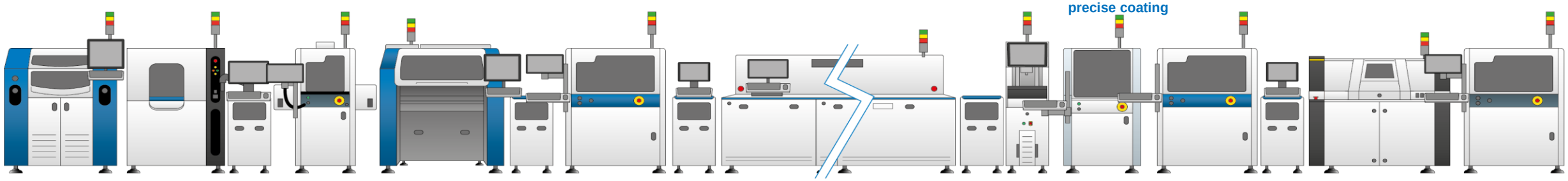
Appendix 1:

Product Innovation

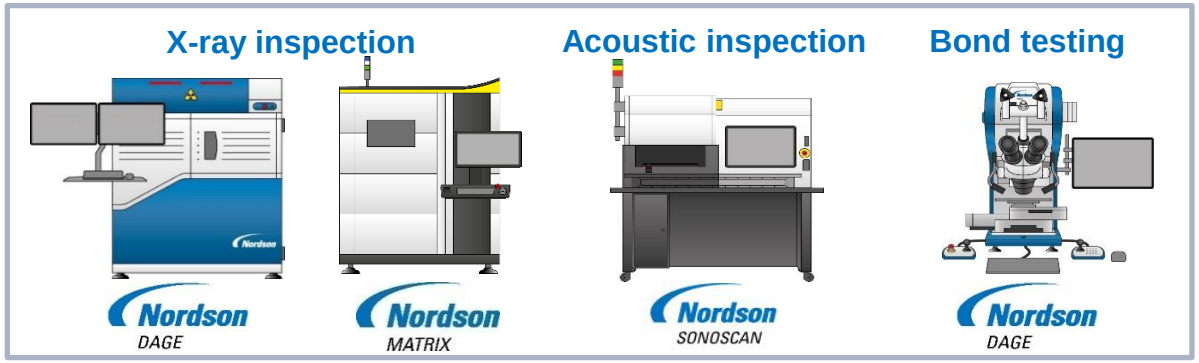
Our Electronics Industry Position

Surface Mount Manufacturing

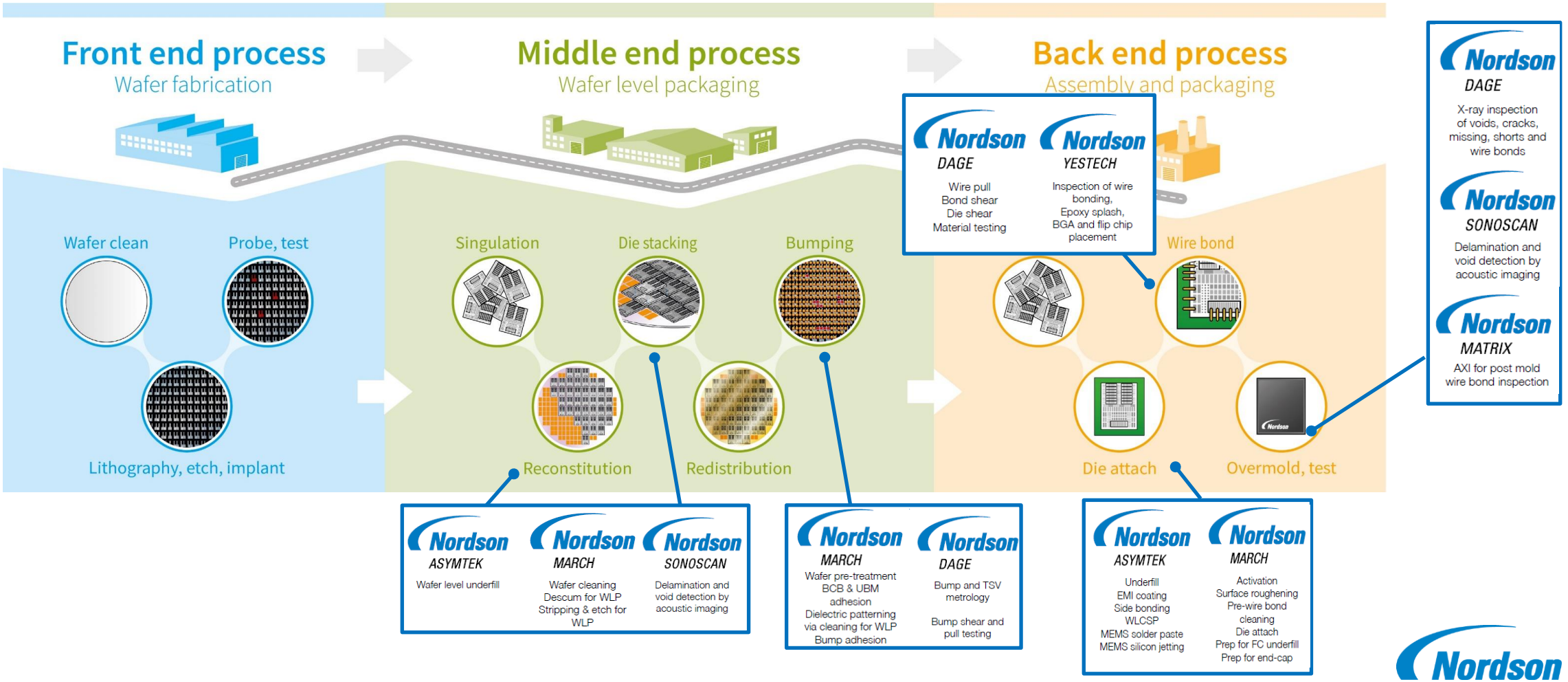
Inline Systems



QA Lab / Island of Automation



Our Role in the Semiconductor Process



Advanced Technology – Fluid Management



Precision Low-Volume Dispensing

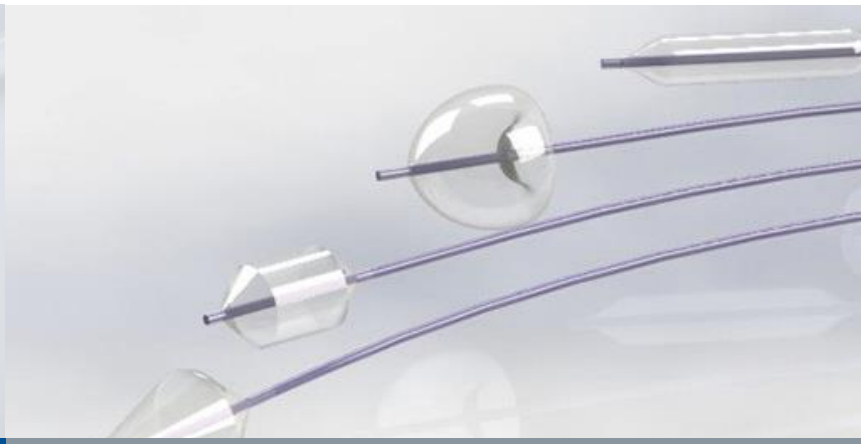
From benchtop dispensers to industry-best jetting valves and automated dispensing robots, Nordson EFD systems deliver accurate, repeatable deposits of glues, greases, and other industrial fluids in precise, low-volume applications.



Optimum® Syringe Barrels and Tips

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

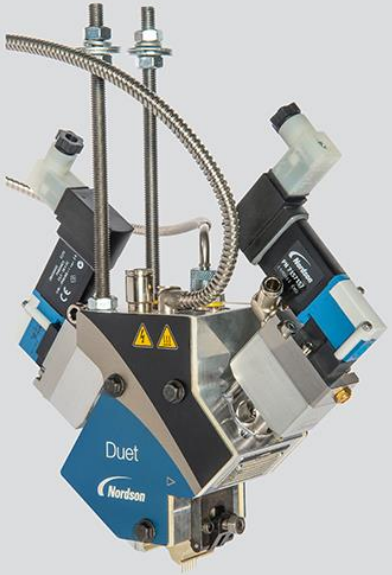
Dispense tips deliver a clean, smooth flow path, free of flash and burrs. In 200+ sizes and styles, tips are lot-tracked for process control and traceability.



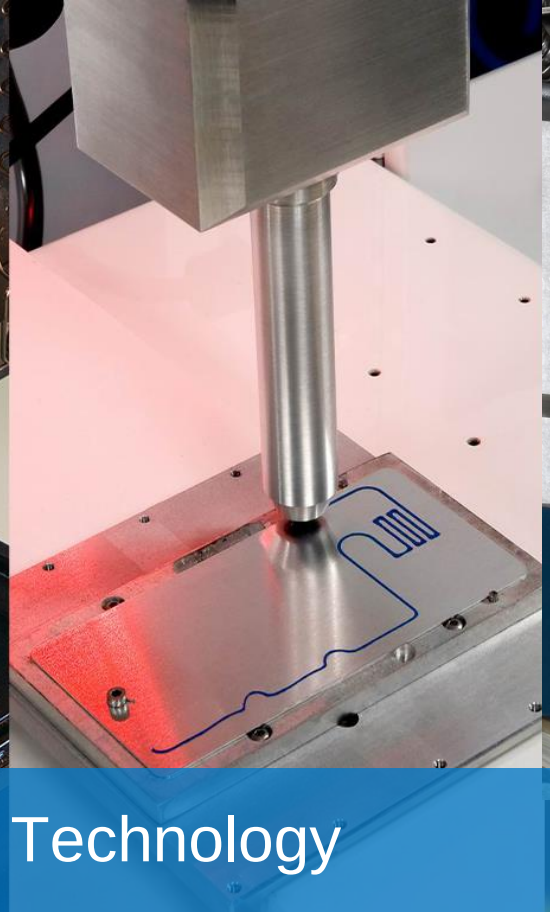
Life Sciences
Fluid Management Components

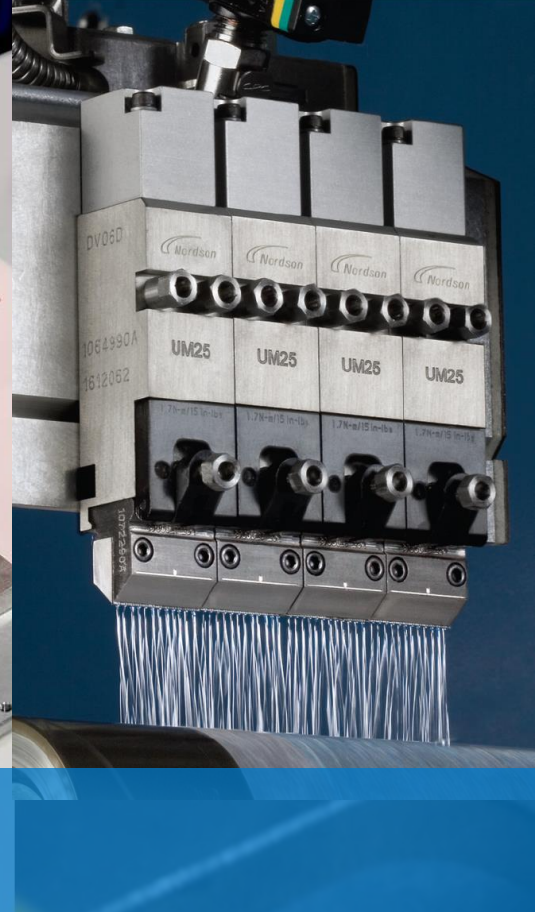
From specialty tubing, catheters, medical balloons, quick-connect couplings and couplers, Nordson is an expert in the design, development and manufacture of complex medical devices and component technologies.











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

Appendix 2:

Financial Exhibits

Reconciliation of Non-GAAP Measures

Adjusted Operating Profit and EBITDA (Dollars in thousands)

NORDSON CORPORATION

RECONCILIATION OF NON-GAAP MEASURES - ADJUSTED OPERATING PROFIT AND EBITDA (Unaudited)
(Dollars in thousands)

	Three Months Ended		Twelve Months Ended	
	October 31, 2021	October 31, 2020	October 31, 2021	October 31, 2020
SALES BY SEGMENT				
Industrial precision solutions	$ 314,307	$ 308,385	$1,246,947	$1,143,423
Advanced technology solutions	284,940	250,140	1,115,262	977,677
Total sales	$ 599,247	$ 558,525	$2,362,209	$2,121,100
OPERATING PROFIT				
Industrial precision solutions	$ 102,677	$ 425	$ 414,192	$ 208,028
Advanced technology solutions	67,104	50,674	271,660	191,602
Corporate	(18,346)	(13,731)	(70,725)	(50,085)
Total operating profit	$ 151,435	$ 37,368	$ 615,127	$ 349,545
OPERATING PROFIT ADJUSTMENTS [1]				
Industrial precision solutions	$ —	$ 91,419	$ —	$ 94,896
Advanced technology solutions	—	1,424	—	7,807
Corporate	—	—	—	1,387
Total adjustments	$ —	$ 92,843	$ —	$ 104,090

ADJUSTED OPERATING PROFIT (NON-GAAP)		% of Sales		% of Sales		% of Sales		% of Sales
Industrial precision solutions	$ 102,677	33 %	$ 91,844	30 %	$ 414,192	33 %	$ 302,924	26 %
Advanced technology solutions	67,104	24 %	52,098	21 %	271,660	24 %	199,409	20 %
Corporate	(18,346)		(13,731)		(70,725)		(48,698)	
Total operating profit - adjusted	$ 151,435	25 %	$ 130,211	23 %	$ 615,127	26 %	$ 453,635	21 %
DEPRECIATION & AMORTIZATION								
Industrial precision solutions	$ 6,259		$ 9,951		$ 25,673		$ 38,939	
Advanced technology solutions	16,987		16,710		68,426		64,543	
Corporate	2,404		2,477		9,784		9,820	
Total depreciation & amortization	$ 25,650		$ 29,138		$ 103,883		$ 113,302	
EBITDA (NON-GAAP) [2]								
Industrial precision solutions	$ 108,936	35 %	$ 101,795	33 %	$ 439,865	35 %	$ 341,863	30 %
Advanced technology solutions	84,091	30 %	68,808	28 %	340,086	30 %	263,952	27 %
Corporate	(15,942)		(11,254)		(60,941)		(38,878)	
Total EBITDA	$ 177,085	30 %	$ 159,349	29 %	$ 719,010	30 %	$ 566,937	27 %

[1] Represents assets held for sale impairment charge, costs and adjustments related to cost structure simplification actions, and charges associated with our 2020 acquisition.

[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 the 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.

Reconciliation of Non-GAAP Measures

Profitability (Dollars in thousands)

NORDSON CORPORATION

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

	Three Months Ended		Twelve Months Ended	
	October 31, 2021	October 31, 2020	October 31, 2021	October 31, 2020
GAAP AS REPORTED				
Operating profit	$ 151,435	$ 37,368	$ 615,127	$ 349,545
Other / interest expense - net	(11,326)	(11,066)	(40,951)	(48,056)
Net income	110,460	18,475	454,368	249,539
Diluted earnings per share	$ 1.88	$ 0.31	$ 7.74	$ 4.27
Shares outstanding - diluted	58,792	58,679	58,734	58,473
OPERATING PROFIT ADJUSTMENTS				
Inventory step-up amortization	$ —	$ 1,298	$ —	$ 2,527
Severance and other	—	4,174	—	14,192
Assets held for sale impairment charge	—	87,371	—	87,371
NON-OPERATING EXPENSE ADJUSTMENTS				
Pension settlement loss	$ —	$ —	$ —	$ 2,508
Total adjustments	$ —	$ 92,843	$ —	$ 106,598
Adjustments net of tax	$ —	$ 76,390	$ —	$ 87,214
Other discrete tax items	$ —	$ (1,820)	$ —	$ (16,311)
EPS effect of adjustments and other discrete tax items	$ —	$ 1.27	$ —	$ 1.21
NON-GAAP MEASURES-ADJUSTED PROFITABILITY				
Operating profit [1]	$ 151,435	$ 130,211	$ 615,127	$ 453,635
Operating profit % of sales	25.3 %	23.3 %	26.0 %	21.4 %
Net income [2]	$ 110,460	$ 93,045	$ 454,368	$ 320,442
Diluted earnings per share [3]	$ 1.88	$ 1.59	$ 7.74	$ 5.48

[1] Adjusted operating profit is defined as operating profit plus certain adjustments such as the assets held for sale impairment charge, cost structure simplification actions and non-cash inventory charges related to acquisitions. 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, 2021, for a reconciliation of the non-GAAP measures Adjusted Operating Profit and EBITDA.

Nordson