



Investor Presentation

May 22, 2023

Nasdaq: NDSN

Ascend

STRATEGY



NBS NEXT



OWNER MINDSET



WINNING TEAMS

Safe Harbor Statement

Under the Private Securities Litigation Reform Act of 1995

Certain statements contained in this release are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by terminology such as "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, including the conflict between Russia and Ukraine, acts of terror, natural disasters and pandemics, including the recent 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 is an innovative precision technology company that leverages a scalable growth framework to deliver top tier growth with leading margins and returns.

Company Founded

1954

*Sales

\$2.6B

*EBITDA

\$807M

Employees

7,330+

Countries with
Direct Presence

35+

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

55%

Gross Margins

29%

EBITDA Margins

19%

ROIC

2,000+

Global Patents
Held

59 yrs.

of Annual
Dividend
Increases

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



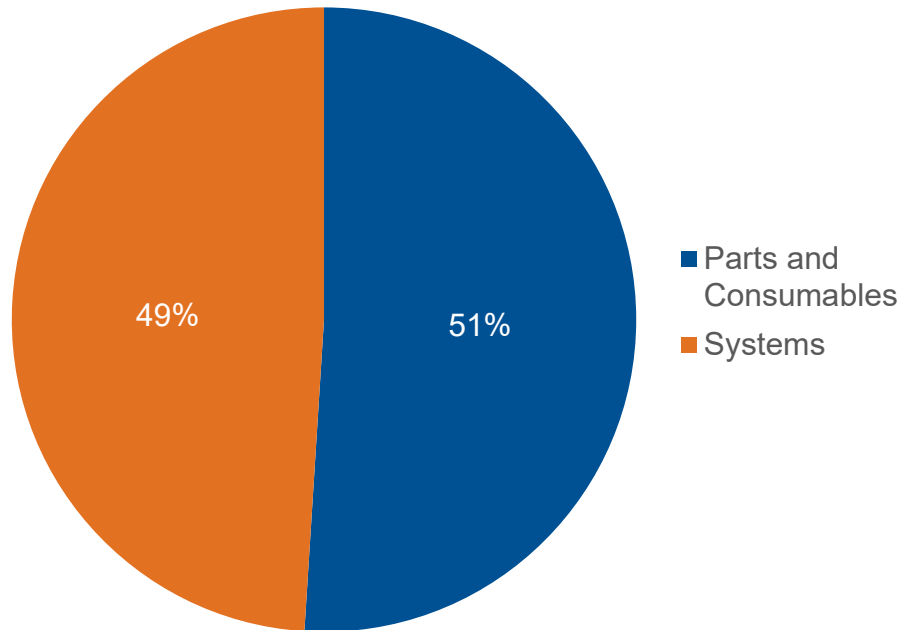
Environmental Stewardship

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

Diversified Sources of Sales

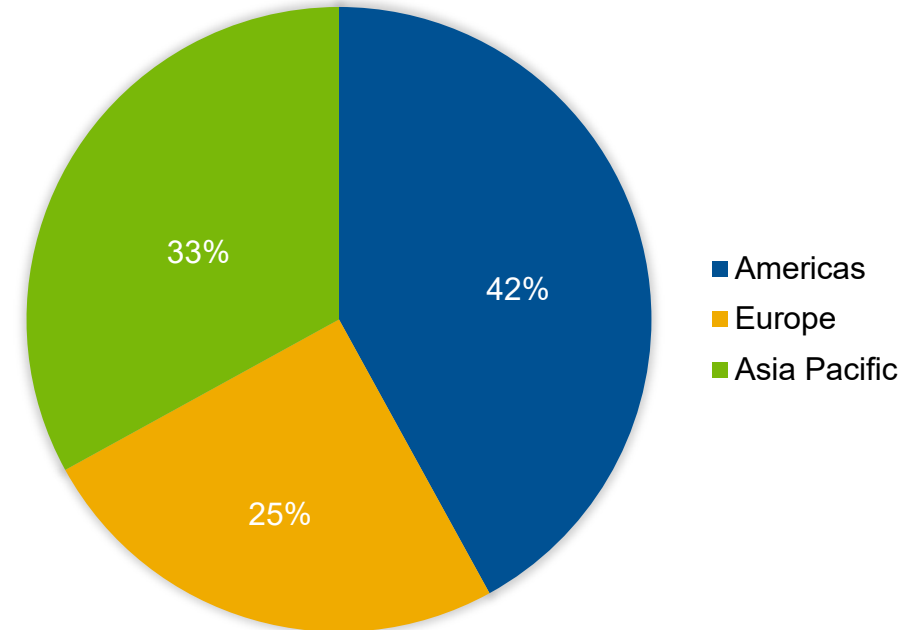
FY2022 Profile - \$2.6 Billion

Product Type



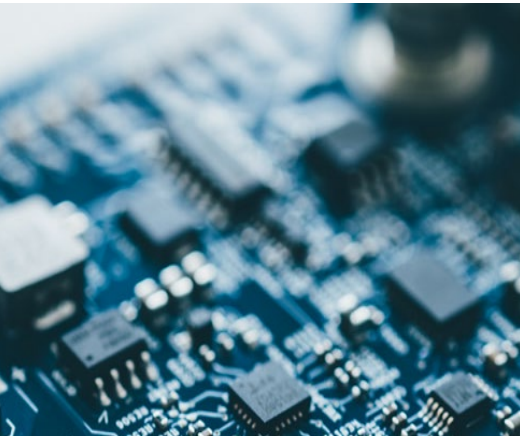
High percentage of recurring sales from parts and consumables.

Geographies



Diversified geographic footprint. Direct presence in over 35 countries.

Diversified End Markets



Electronics
30% of revenue

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



Consumer Non-Durables
23% 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
15% of revenue

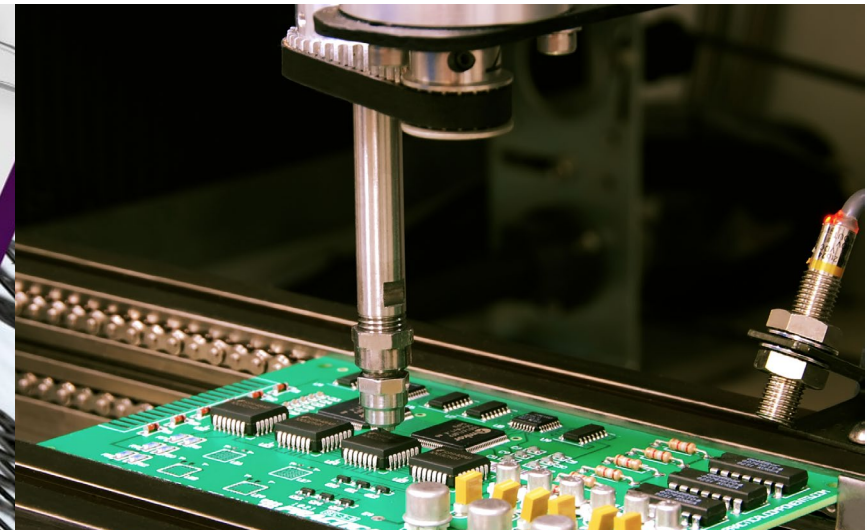
- Farm, construction and industrial machinery
- Rigid container
- Aerospace
- Chemical
- Defense
- Energy



Remaining Markets
12% of revenue

- Consumer durable
- Automotive
- Animal health & delivery systems

How We Are Organized



INDUSTRIAL PRECISION SOLUTIONS

MEDICAL FLUID SOLUTIONS

ADVANCED TECHNOLOGY SOLUTIONS

Adhesives, Industrial Coatings Systems,
Measurement and Control Solutions & Polymer Processing Systems

Medical &
Fluid Management

Electronic Processing Systems
& Test and Inspection

51%
REVENUE

27%
REVENUE

22%
REVENUE

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.

2022 Revenues

\$1,337M

2022
Operating
Margin*

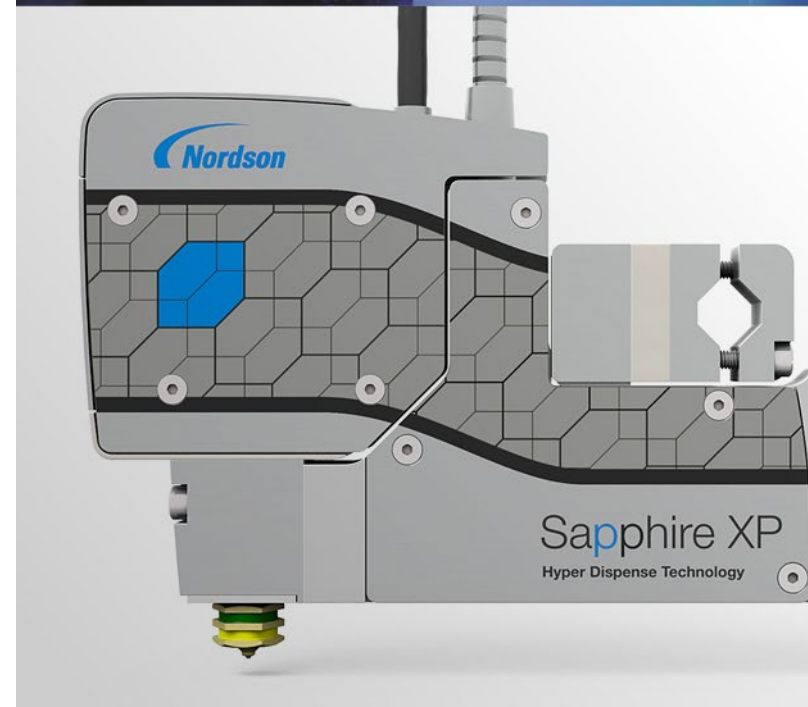
33%

2022
EBITDA

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



Medical Fluid Solutions

What We Do

Fluid management solutions for medical, high-tech industrial and other diverse end markets. Related plastic tubing, balloons, catheters, syringes, cartridges, tips, and fluid connection components are used to dispense or control fluids within customers' medical devices or products, as well as production processes.

5%+ Long-Term Growth Driven By:

- Aging population
- Trends toward non-invasive surgical techniques
- Medical OEM outsourcing
- Emerging markets
- Deploying NBS Next in our divisions

2022 Revenues

\$690M

2022
Operating
Margin*

32%

2022
EBITDA

40%



Advanced Technology Solutions

What We Do

Design and develop proprietary technologies found in progressive stages of an electronics customer's production processes, such as surface treatment, precisely controlled dispensing of material and test and inspection to ensure quality and reliability.

5%+ CAGR Long-Term Growth Driven By:

- 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

2022 Revenues

\$563M

2022
Operating
Margin*

24%

2022
EBITDA

25%





Why Invest in Nordson?

Ascend

STRATEGY

A Diversified Precision
Technology Company

REVENUE

\$3B+

EBITDA

30%

Long-term 2025 financial targets

Top tier growth with leading margins and returns



NBS
Next

GROWTH FRAMEWORK

- Sustained organic growth
- Accelerate acquisitions



Owner
Mindset

DIVISION-LED

- Data drives action
- Entrepreneurial, accountable



Winning
Teams

TALENT STRATEGY

- Enhance depth and diversity
- Enrich inclusive culture

Culture & Values



NBS Next

GROWTH FRAMEWORK



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





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

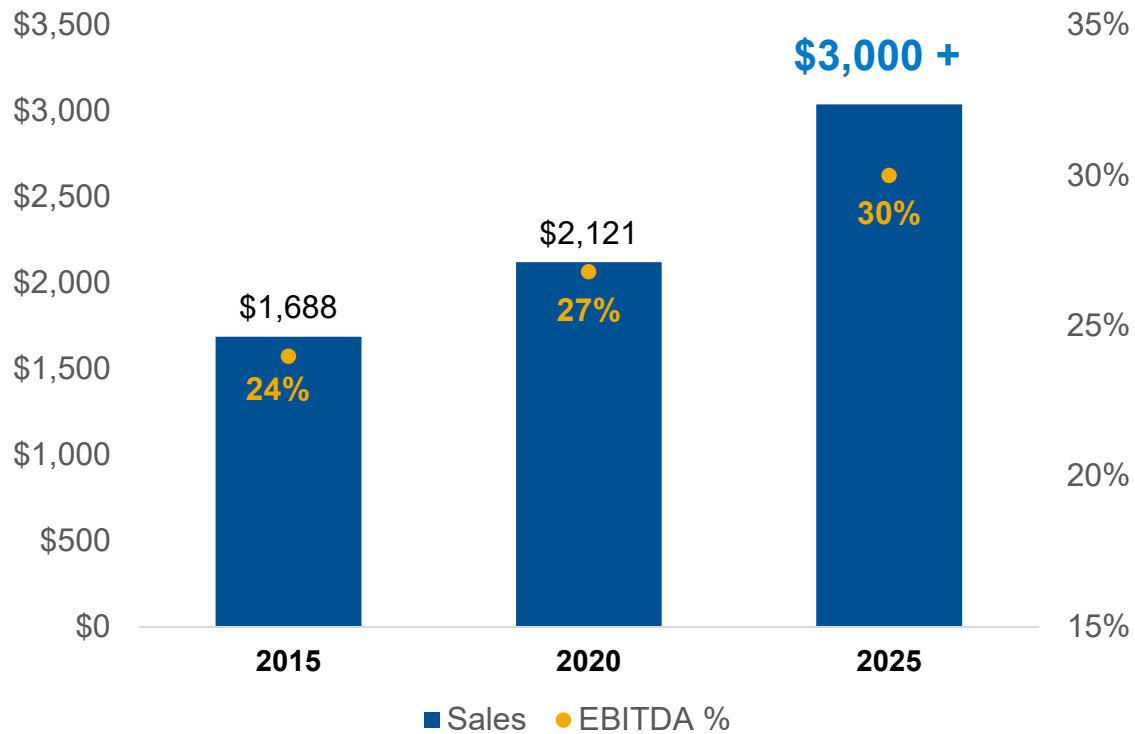
TALENT STRATEGY

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**

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

ACQUISITION FEATURES:

- Strategic fit for test and inspection division, which includes x-ray, acoustic and optical applications
- Expands Nordson's optical portfolio into sensor technology

CORE TECHNOLOGIES:

- **Precision 3D optical sensors and systems** for semiconductor and PCBA inspection
Key differentiator = ability to suppress multiple reflections, an inherent issue in optical sensing → significantly higher speed, resolution, accuracy, precision
- **WaferSense Wireless sensors** for semiconductor manufacturing equipment health & process monitoring/calibration

Systems

Metrology and Inspection Systems for Wafer-Level and Advanced Packaging (incorporating MRS Sensor)



Sensors

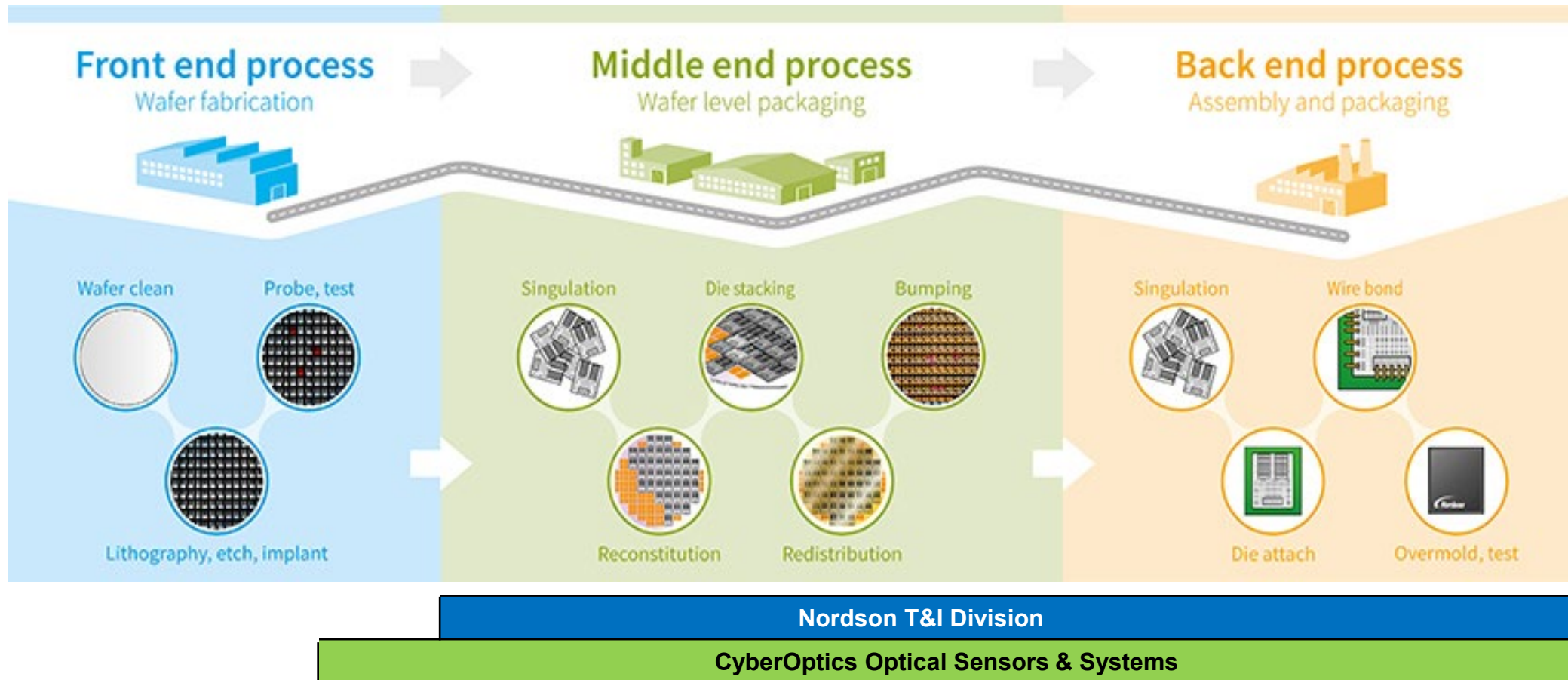
Ultra high-resolution 3D optical sensor (MRS)



Wireless semiconductor measurement device



CyberOptics expands market opportunities



*3D Optical semi market expected to grow ~15%+,
exceeding the broader 'Wafer Fab Equipment' market LSD '23 – '25 growth*

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

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



Recent Financial Results

Total Company – 2Q 2023



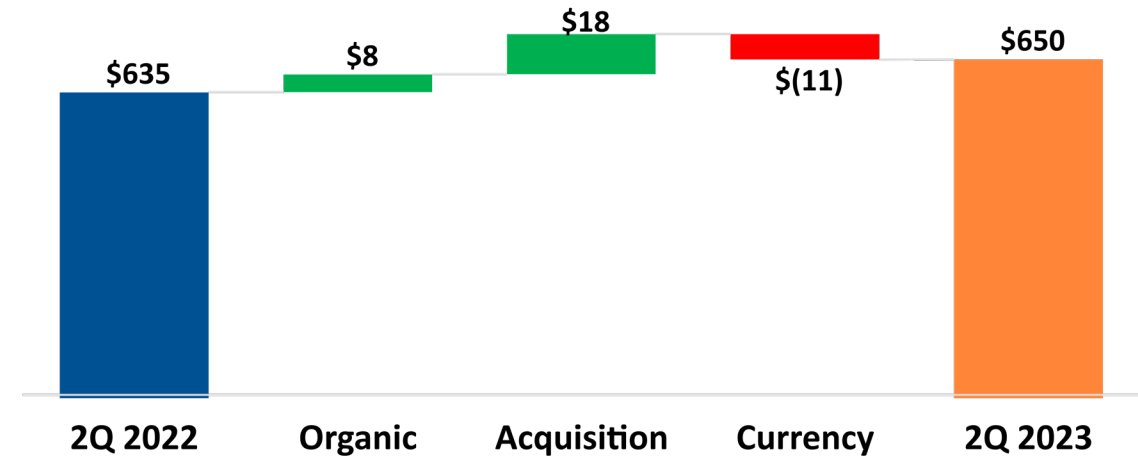
Sales

- Reported sales increased 2%
- 1% organic growth; 3% acquisitive growth; (2)% currency translation
- Organic sales increase was driven by strong 7% growth in Asia Pacific, partially reflecting the timing difference related to Chinese New Year

Operating Profit*

- Operating profit of \$176 million, 27% of sales; EBITDA margin 31% of sales
- OP decrease of 4% was driven by foreign currency translation plus unfavorable sales mix

2Q 2023 Sales Bridge



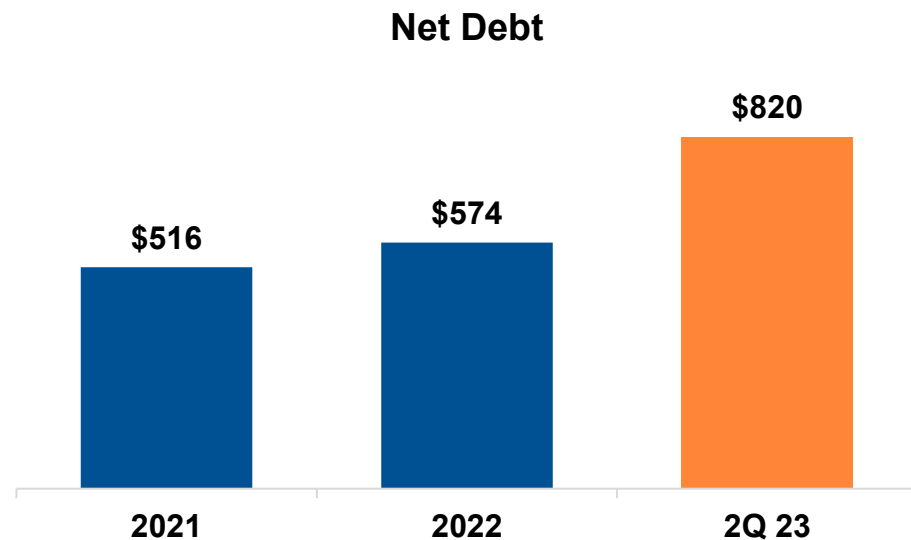
	2Q 2022	2Q 2023	Δ
Sales	\$635.4	\$650.2	2%
Operating Profit ⁺	\$184.0	\$176.0	-4%
EBITDA ⁺	\$208.9	\$203.0	-3%
EPS GAAP	\$1.88	\$2.21	18%
EPS Adjusted ⁺	\$2.43	\$2.26	-7%

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

Strong Cash Flow with Sufficient Liquidity to Invest in Strategic Initiatives

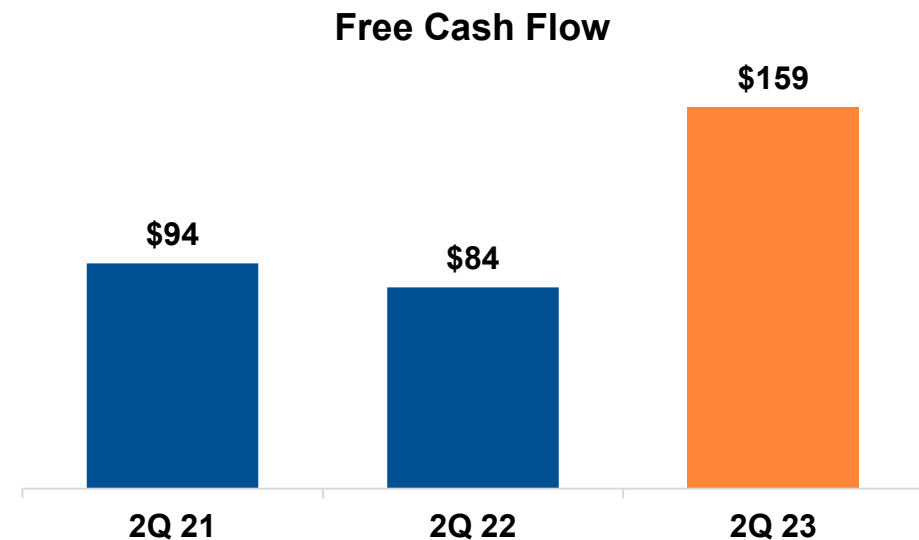
Net Debt

- 2023 Net Debt increase driven by CyberOptics acquisition
- 1.0 net debt leverage ratio based on trailing 12-month EBITDA



Free Cash Flow

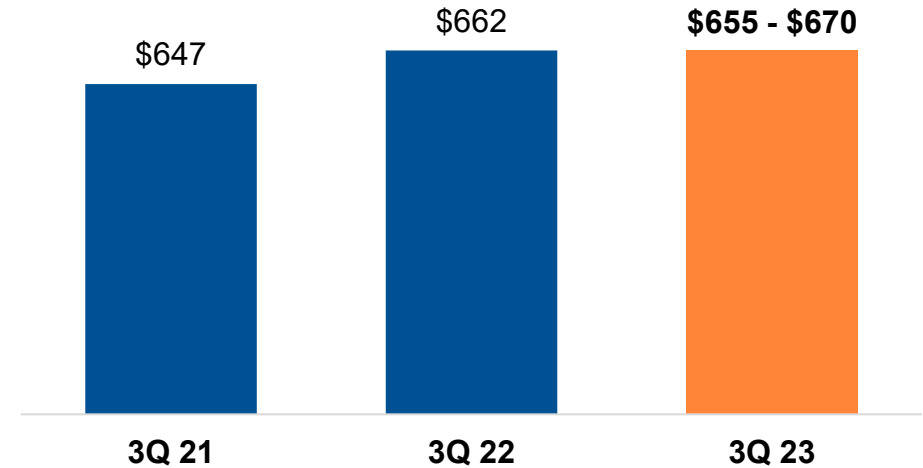
- Strong free cash flow of \$159 million
- Year-to-date cash conversion rate on net income is 118%



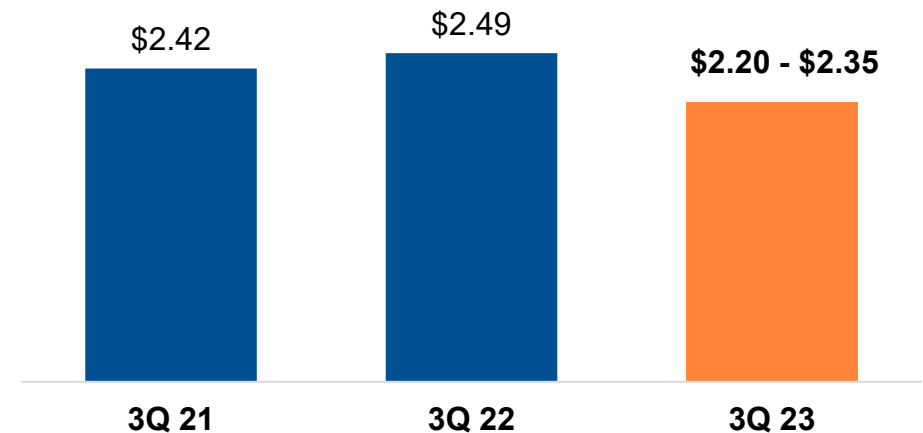
Steady Growth

- Order entry was steady throughout the quarter, reflects a less than 1.0 book-to-bill ratio
- Backlog remains strong in historical terms at \$950 million, heavily weighted toward systems and medical interventional solutions
- Customers pulled forward some sales that were forecasted for 3Q 2023
- 3Q 23 sales are expected to be comparable to prior year

3Q 2023 Sales Guidance



3Q 2023 Adjusted EPS Guidance



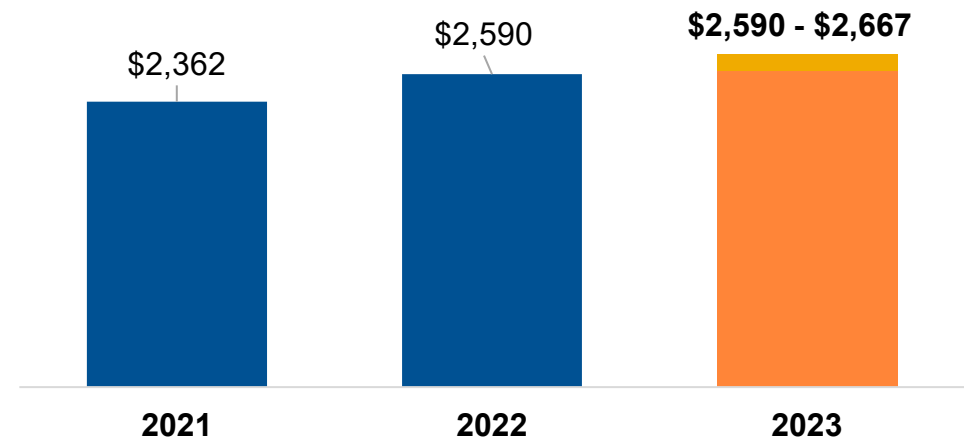
Full-Year Fiscal 2023 Guidance



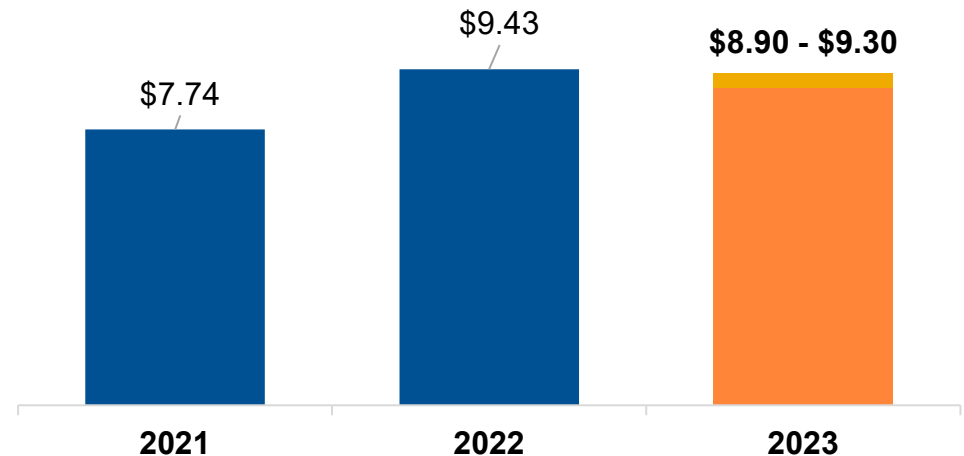
Updating guidance, sustaining record 2022 sales performance

- Sustaining fiscal 2023 sales growth guidance of 0% - 3%
- Narrowing adjusted earnings range to \$8.90 to \$9.30
- Remain invested in innovation and differentiated customer experience
- Sustaining 2022 record performance is a testament to our dedicated employees, diversification of products and geographies, and solid execution of Ascend strategy

Full-Year Sales Guidance



Full-Year Adjusted EPS Guidance

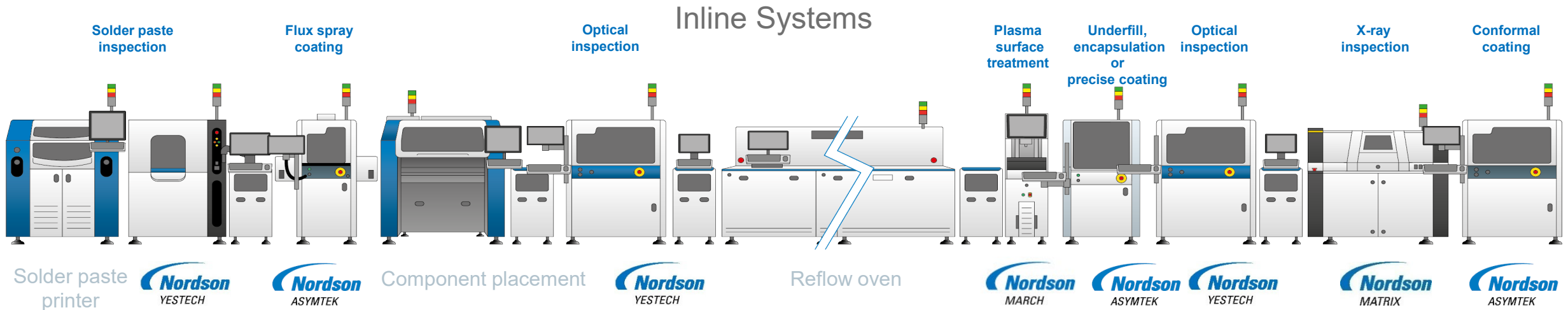


Appendix 1:

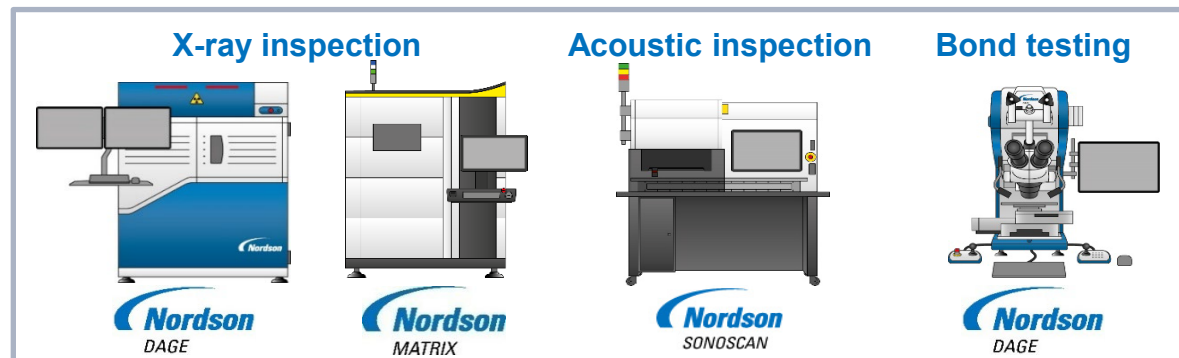
Product Innovation

Our Electronics Industry Position

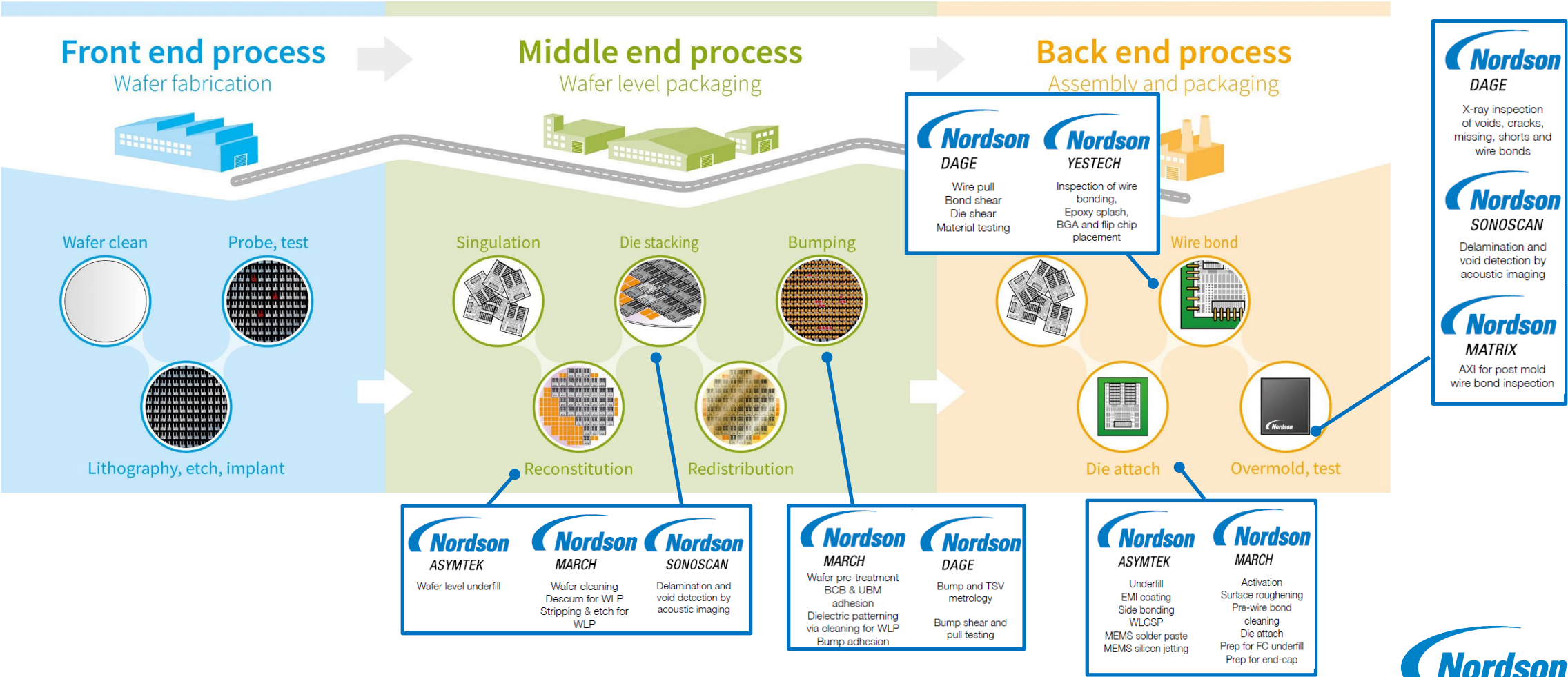
Surface Mount Manufacturing



QA Lab / Island of Automation



Our Role in the Semiconductor Process

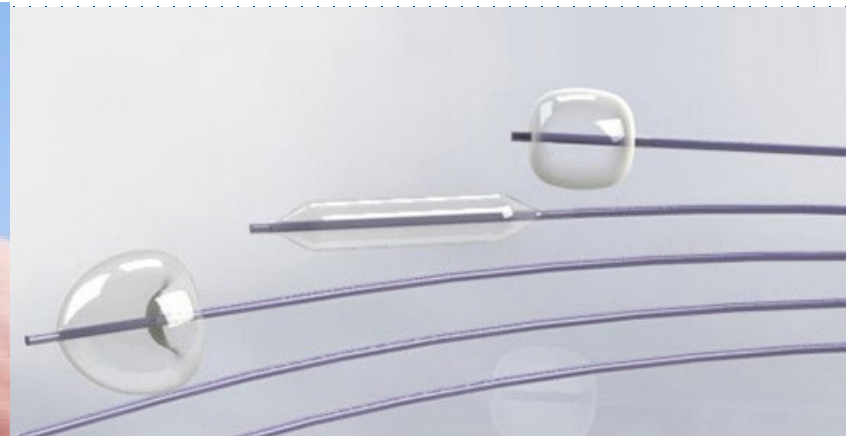


Medical and Fluid Solutions



Fluid Solutions
Precision Low-Volume Dispensing

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



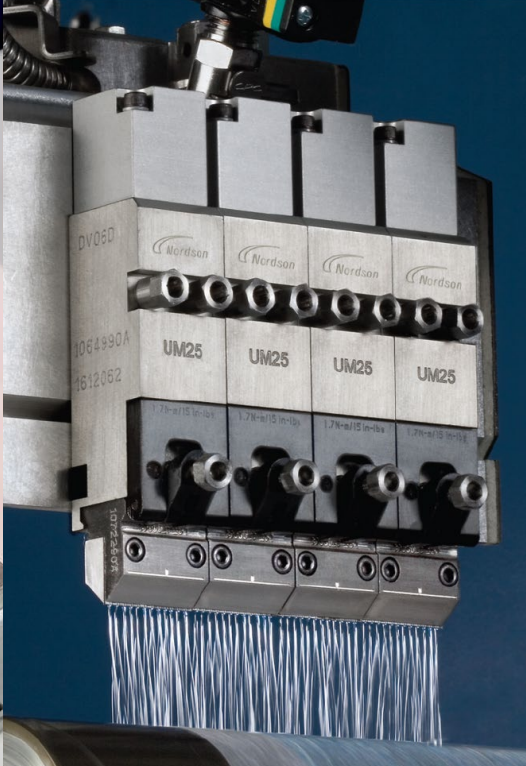
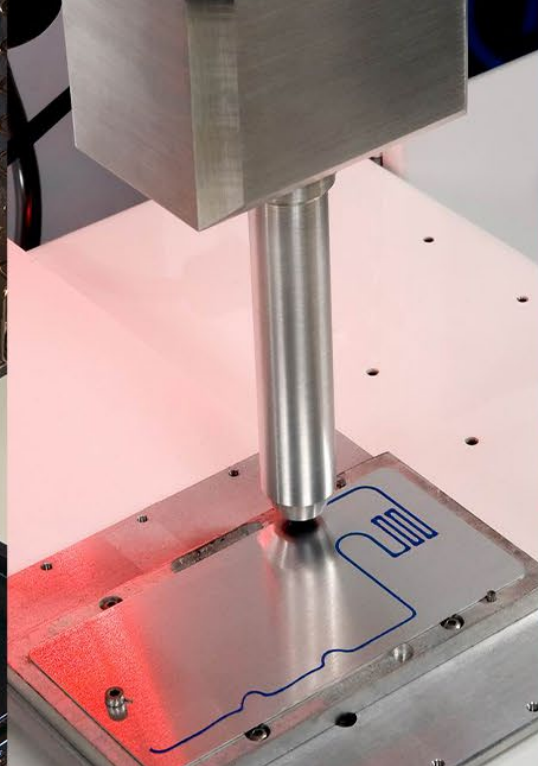
Interventional Solutions
Medical balloons, catheters, cannulas

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



Fluid Components
Single-use components

Proprietary single-use plastic connectors, stopcocks, valves, clamps, etc., used for patient care (IV's and blood pressure cuffs), biopharma and gene therapy applications.



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

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.
- Constant currency sales is defined as sales growth excluding the impacts of changes in foreign currencies. We express period over period revenue variances that are calculated in constant currency as a percentage.
- Free cash flow is defined as cash flow provided by operating activities less additions to property, plant and equipment.
- Net debt is defined as total long-term debt less cash and cash equivalents.

Amounts may be rounded.

See the company's earnings release for the second quarter ended April 30, 2023, for a reconciliation of the non-GAAP measures Adjusted Operating Profit and EBITDA.

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		Six Months Ended					
	April 30, 2023	April 30, 2022	April 30, 2023	April 30, 2022				
SALES BY SEGMENT								
Industrial precision solutions	\$ 335,807	\$ 316,434	\$ 647,353	\$ 640,367				
Medical and fluid solutions	166,526	172,212	320,813	330,996				
Advanced technology solutions	147,832	146,757	292,476	273,206				
Total sales	<u>\$ 650,165</u>	<u>\$ 635,403</u>	<u>\$1,260,642</u>	<u>\$1,244,569</u>				
OPERATING PROFIT								
Industrial precision solutions	\$ 111,773	\$ 102,196	\$ 214,093	\$ 204,383				
Medical and fluid solutions	47,922	58,314	87,307	107,407				
Advanced technology solutions	26,090	40,144	43,053	67,378				
Corporate	(13,278)	(16,681)	(27,727)	(39,335)				
Total operating profit	<u>\$ 172,507</u>	<u>\$ 183,973</u>	<u>\$ 316,726</u>	<u>\$ 339,833</u>				
OPERATING PROFIT ADJUSTMENTS⁽¹⁾								
Industrial precision solutions	\$ —	\$ —	\$ —	\$ 1,563				
Medical and fluid solutions	1,479	—	1,479	—				
Advanced technology solutions	1,960	—	12,255	—				
Total adjustments	<u>\$ 3,439</u>	<u>\$ —</u>	<u>\$ 13,734</u>	<u>\$ 1,563</u>				
ADJUSTED OPERATING PROFIT (NON-GAAP)⁽²⁾								
		% of Sales		% of Sales				
Industrial precision solutions	\$ 111,773	33%	\$ 102,196	32%	\$ 214,093	33%	\$ 205,946	32%
Medical and fluid solutions	49,401	30%	58,314	34%	88,786	28%	107,407	32%
Advanced technology solutions	28,050	19%	40,144	27%	55,308	19%	67,378	25%
Corporate	(13,278)		(16,681)		(27,727)		(39,335)	
Total operating profit - adjusted	<u>\$ 175,946</u>	27%	<u>\$ 183,973</u>	29%	<u>\$ 330,460</u>	26%	<u>\$ 341,396</u>	27%
DEPRECIATION & AMORTIZATION								
Industrial precision solutions	\$ 7,285		\$ 6,916		\$ 14,130		\$ 14,358	
Medical and fluid solutions	13,683		13,578		27,308		27,125	
Advanced technology solutions	4,010		2,247		7,822		4,510	
Corporate	2,122		2,224		4,275		4,362	
Total depreciation & amortization	<u>\$ 27,100</u>		<u>\$ 24,965</u>		<u>\$ 53,535</u>		<u>\$ 50,355</u>	
EBITDA (NON-GAAP)⁽²⁾								
Industrial precision solutions	\$ 119,058	35%	\$ 109,112	34%	\$ 228,223	35%	\$ 220,304	34%
Medical and fluid solutions	63,084	38%	71,892	42%	116,094	36%	134,532	41%
Advanced technology solutions	32,060	22%	42,391	29%	63,130	22%	71,888	26%
Corporate	(11,156)		(14,457)		(23,452)		(34,973)	
Total EBITDA	<u>\$ 203,046</u>	31%	<u>\$ 208,938</u>	33%	<u>\$ 383,995</u>	30%	<u>\$ 391,751</u>	31%

⁽¹⁾ Represents severance, as well as fees and non-cash inventory charges associated with acquisitions.

⁽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 severance, fees and non-cash inventory charges associated with 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		Six Months Ended	
	April 30, 2023	April 30, 2022	April 30, 2023	April 30, 2022
<u>GAAP AS REPORTED</u>				
Operating profit	\$ 172,507	\$ 183,973	\$ 316,726	\$ 339,833
Other / interest expense - net	(10,880)	(44,706)	(24,019)	(48,599)
Net income	127,563	109,634	231,824	230,043
Diluted earnings per share	\$ 2.21	\$ 1.88	\$ 4.02	\$ 3.93
Shares outstanding - diluted	57,680	58,382	57,721	58,606
<u>OPERATING PROFIT ADJUSTMENTS</u>				
Inventory step-up amortization	\$ —	\$ —	\$ 4,306	\$ 1,563
Severance and other	3,439	—	9,428	—
<u>NON-OPERATING EXPENSE ADJUSTMENTS</u>				
Pension settlement loss	\$ —	\$ 41,221	\$ —	\$ 41,221
Total adjustments	\$ 3,439	\$ 41,221	\$ 13,734	\$ 42,784
Adjustments net of tax	\$ 2,714	\$ 32,450	\$ 10,877	\$ 33,795
EPS effect of adjustments and other discrete tax items	\$ 0.05	\$ 0.56	\$ 0.19	\$ 0.58
<u>NON-GAAP MEASURES-ADJUSTED PROFITABILITY</u>				
Operating profit ⁽¹⁾	\$ 175,946	\$ 183,973	\$ 330,460	\$ 341,396
Operating profit % of sales	27.1 %	29.0 %	26.2 %	27.4 %
Net income ⁽²⁾	\$ 130,277	\$ 142,084	\$ 242,701	\$ 263,838
Diluted earnings per share ⁽³⁾	\$ 2.26	\$ 2.43	\$ 4.21	\$ 4.50

⁽¹⁾ Adjusted operating profit is defined as operating profit plus certain adjustments, such as severance, fees 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 per share is defined as GAAP EPS adjusted for tax effected adjustments and other discrete tax items.