



# Investor Presentation

December 16, 2024

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 “such as “anticipates,” “supports,” “plans,” “projects,” “expects,” “believes,” “should,” “would,” “could,” “hope,” “forecast,” “management is of the opinion,” use of the future tense and similar words or phrases.. 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 conflicts in Europe and the Middle East, acts of terror, natural disasters, pandemics 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 a growth compounder with unique competitive advantages

Company Founded

2024 Revenue

2024 EBITDA%

Employees

Countries with  
Direct Presence

**1954**

**\$2.7B**

**32%**

**8,000+**

**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

**6%**

Sales Growth

**55%**

Gross Margins

**30%**

EBITDA Margins

**13%**

ROIC

**2,100+**

Global Patents  
Held

**61 yrs.**

of Annual  
Dividend  
Increases

# Commitment to ESG



## Diversified Board of Directors

- 50% diverse board (3 gender and 2 racially or ethnically diverse)
- 9 out of 10 independent directors
- 6 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



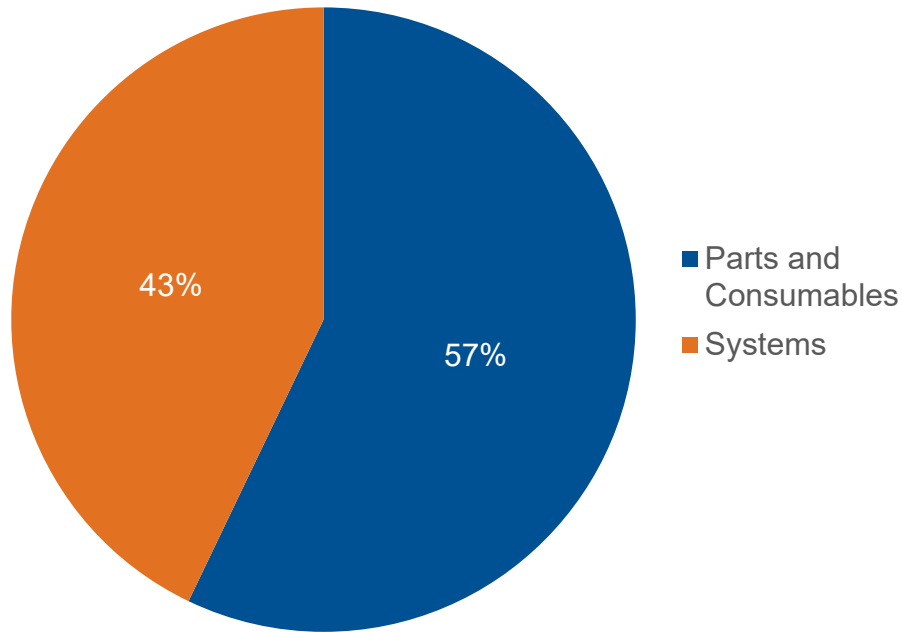
## Environmental Stewardship

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

# Diversified Sources of Sales

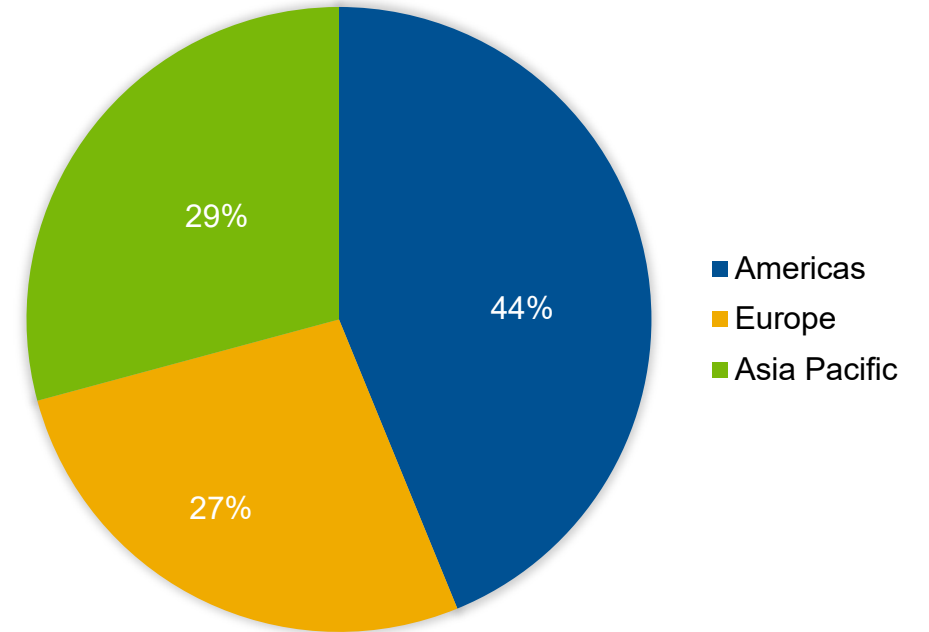
FY2024 Profile - \$2.7 Billion

## Product Type



High percentage of recurring sales from parts and consumables.

## Geographies



Diversified geographic footprint. Direct presence in over 35 countries.

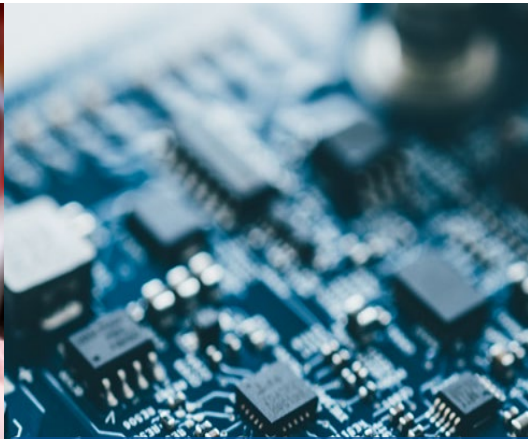


# Diversified End Markets



**Consumer Non-Durable**  
25% of revenue

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



**Electronics**  
23% of revenue

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



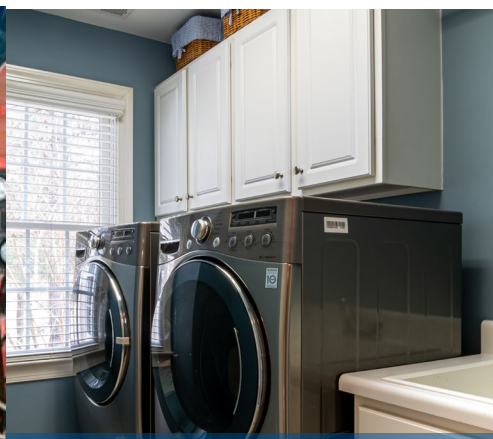
**Medical**  
21% of revenue

- 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**  
19% of revenue

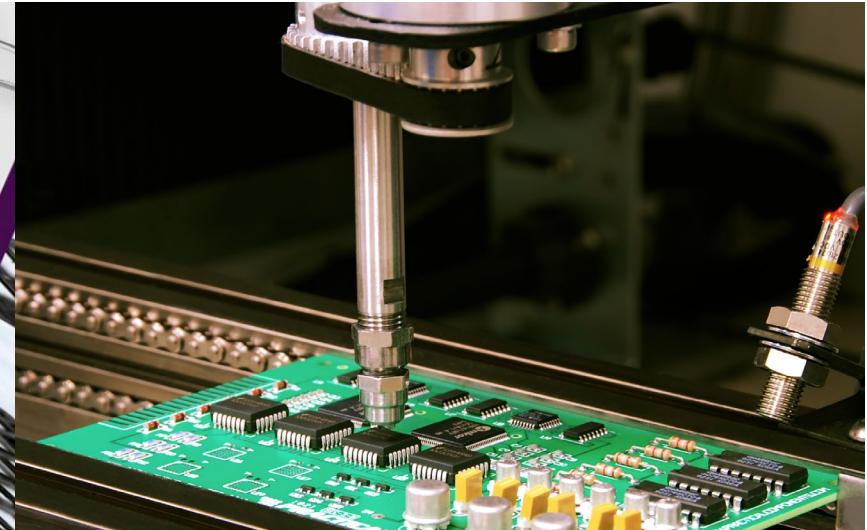
- Construction and industrial machinery
- Rigid container
- Aerospace
- Chemical
- Defense
- Energy



**Remaining Markets**  
12% of revenue

- Consumer durable
- Automotive
- Animal health and delivery systems

# How We Are Organized



## INDUSTRIAL PRECISION SOLUTIONS

## MEDICAL FLUID SOLUTIONS

## ADVANCED TECHNOLOGY SOLUTIONS

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

Interventional Solutions, Fluid Components  
& Engineered Fluid Dispensing

Electronic Processing Systems  
& Test and Inspection

**55%**  
REVENUE

**26%**  
REVENUE

**19%**  
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.

2024 Revenue

**\$1,484M**

2024  
Operating  
Margin\*

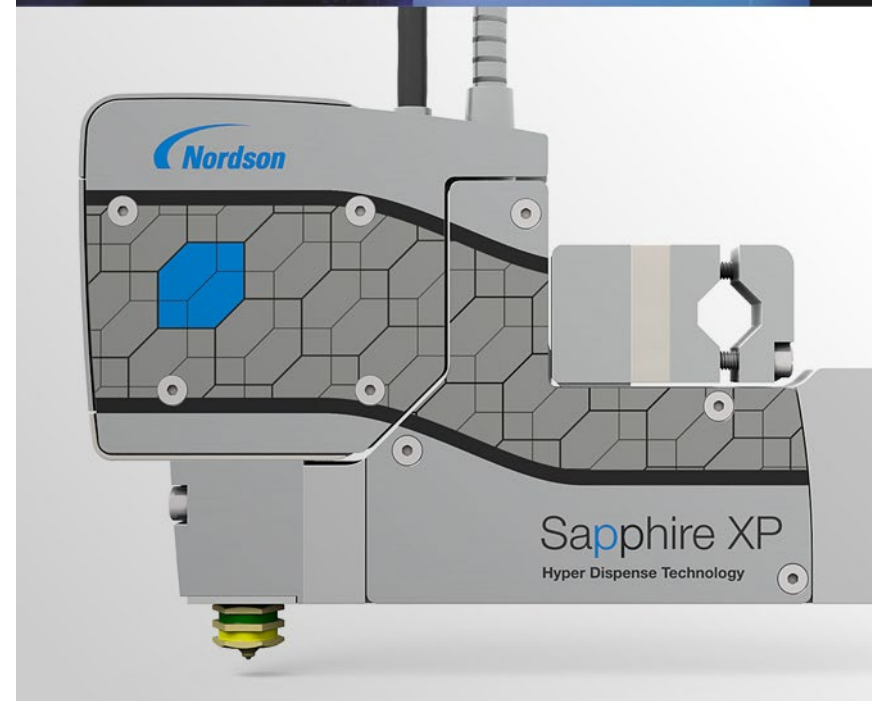
**32%**

2024  
EBITDA

**36%**

## 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



# 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.

## Long-Term Growth Driven By:

- Aging population
- Trends toward non-invasive surgical techniques
- Medical OEM outsourcing
- Emerging markets

2024 Revenues

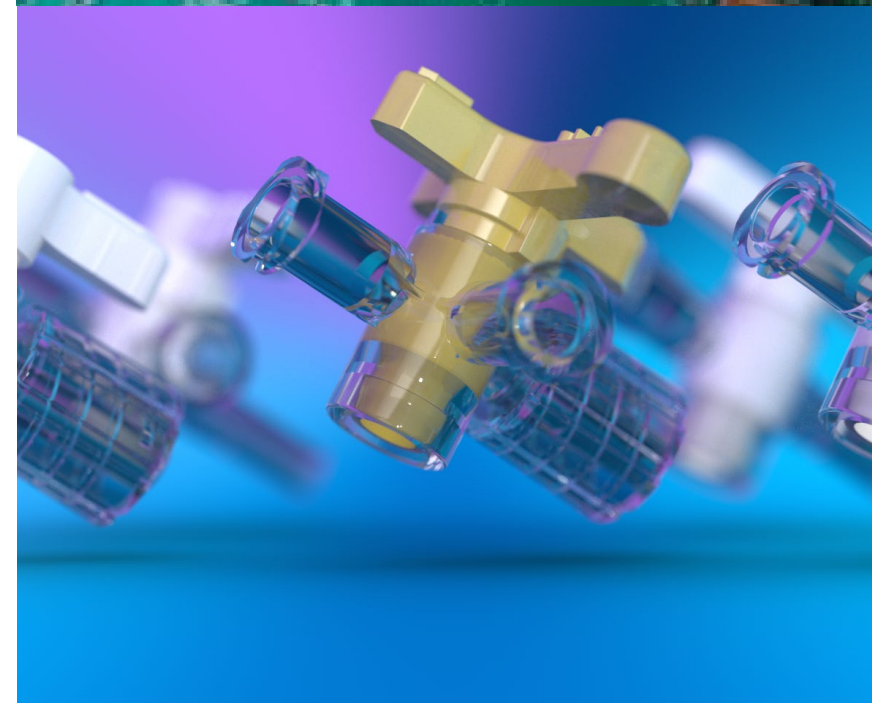
**\$695M**

2024  
Operating  
Margin\*

**29%**

2024  
EBITDA

**37%**



# 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.

## 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

2024 Revenues

**\$510M**

2024  
Operating  
Margin\*

**20%**

2024  
EBITDA

**22%**



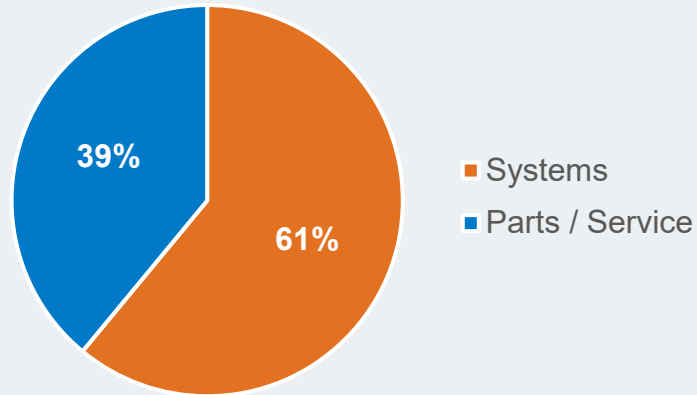




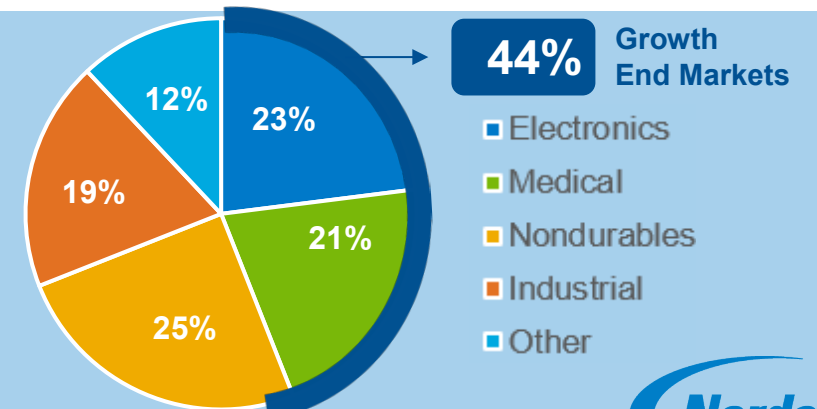
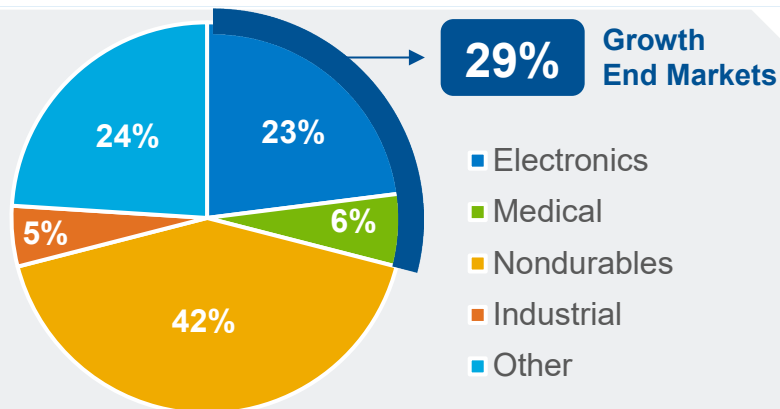
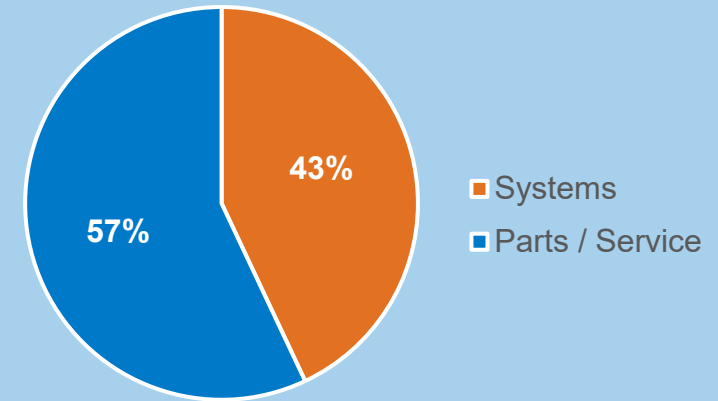
# Why Invest in Nordson?

# A Growth Portfolio Ready to Accelerate

2014 (FY Revenue \$1.7B)



2024 (FY Revenue \$2.7B)



# 2025-2029 Financial Targets

## Ascend

STRATEGY

Revenue  
Growth

6-8%

Adjusted EPS  
Growth

10-12%

Average annual growth

### Growth Compounder







# 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**



# Disciplined Approach to M&A



## Strategic Criteria

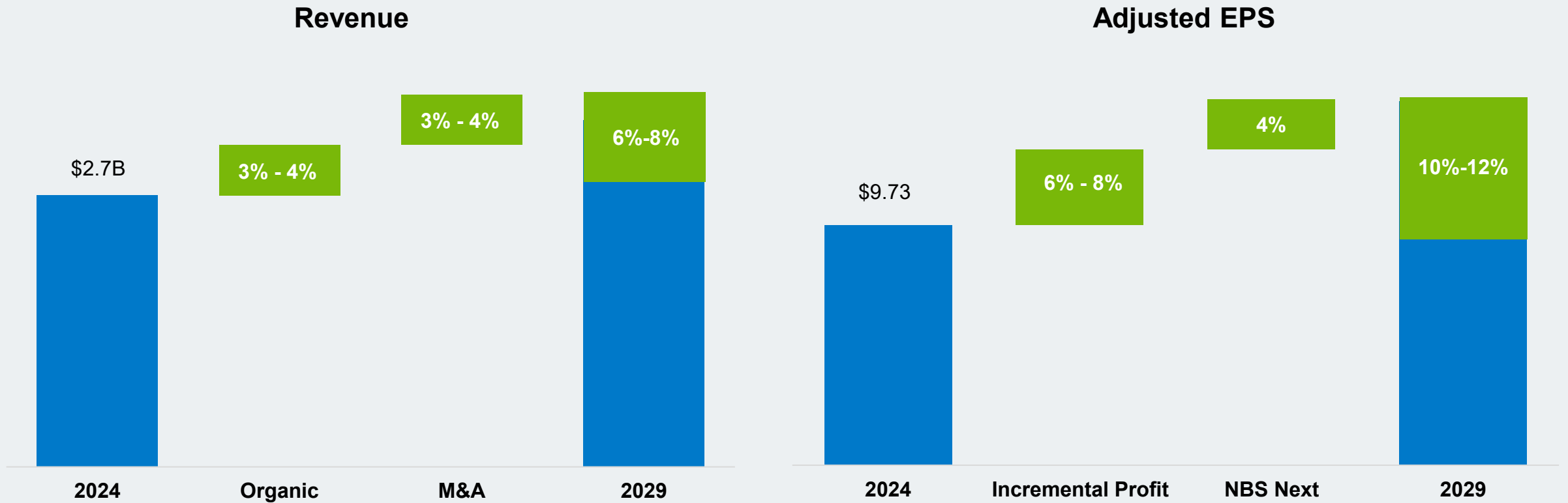
- Serving attractive end market niches and applications
- Differentiated product technologies/solutions
- Additive to our growth focused portfolio



## Financial Criteria

- Growth at or above market rates with Nordson-like gross margins
- EBITDA ~20+% with margin expansion opportunities
- Returns that sufficiently exceed our cost of capital

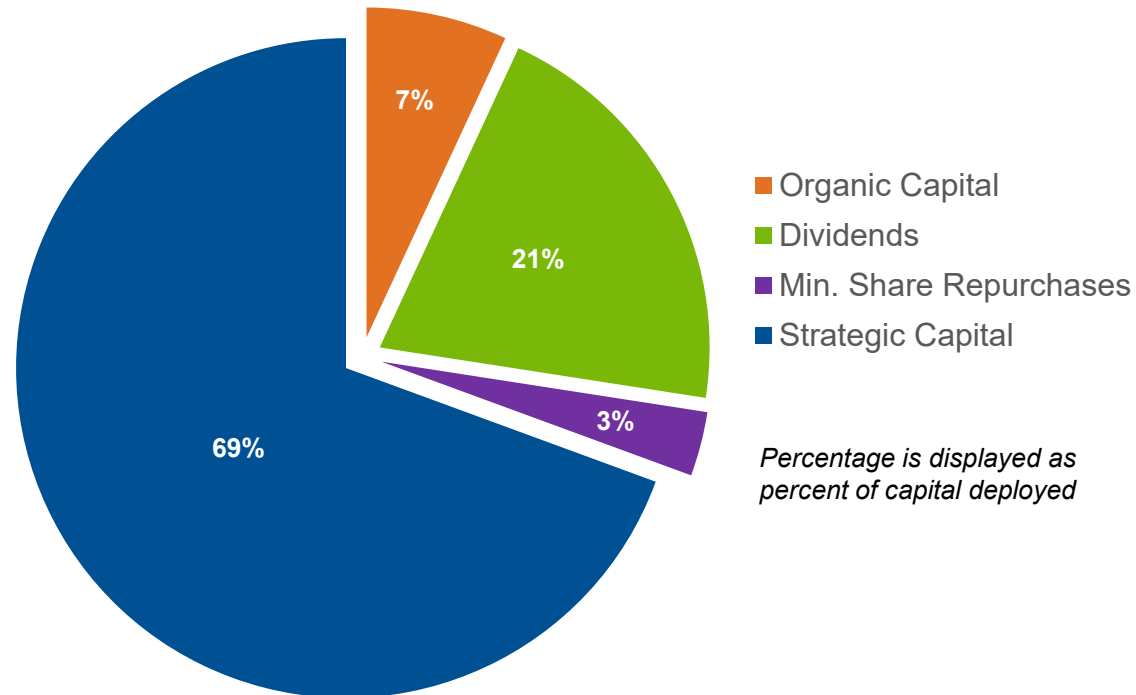
# Growth Algorithm



# Superior Conversion / Deployment of Cash Flows

Generation of ~ \$4.1B in operating cash flows through 2029

## Capital Deployment through 2029



## Cash Flow Deployment Priorities

- Fund organic growth
- Return to shareholders thru dividends and routine stock repurchases to offset dilution
- Strategic deployment of ~\$2.8B for:
  - Strategic M&A
  - Debt service
  - Additional share repurchases





# Recent Financial Results

# Total Company – 4Q 2024



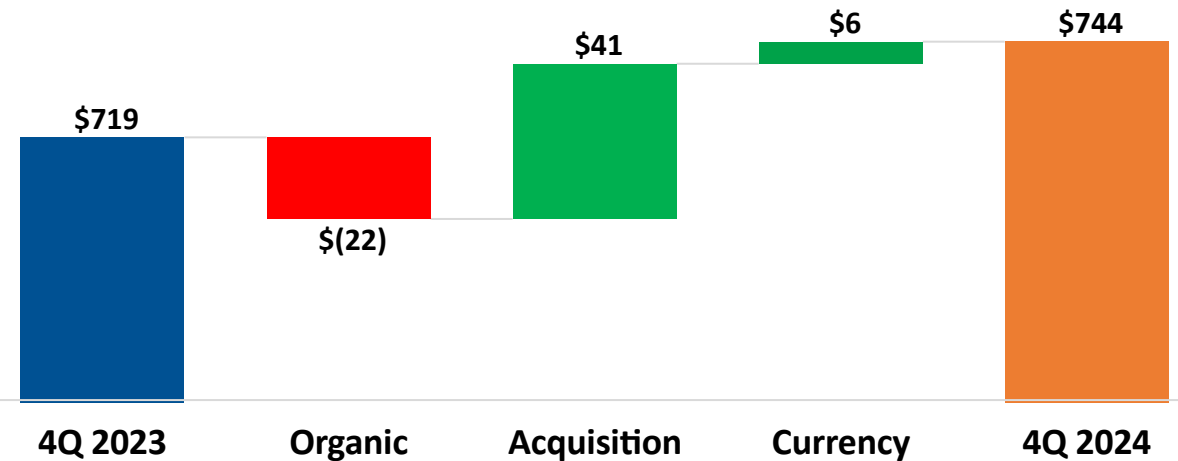
## Sales

- Reported sales increased 4%
- Acquisitions contributed 6% and favorable currency impact contributed 1%
- Organic decrease of 3% driven by tough comparisons in Industrial Precision Solutions segment and weakness in Medical Fluid Solutions, offset by growth in Advanced Technology Solutions segment

## EBITDA\*

- EBITDA was quarterly record of \$241 million or 32% of sales, with robust incremental margins of 56%
- EBITDA increase reflects strong conversion on sales despite higher mix of acquired sales

## 4Q 2024 Sales Bridge\*\*

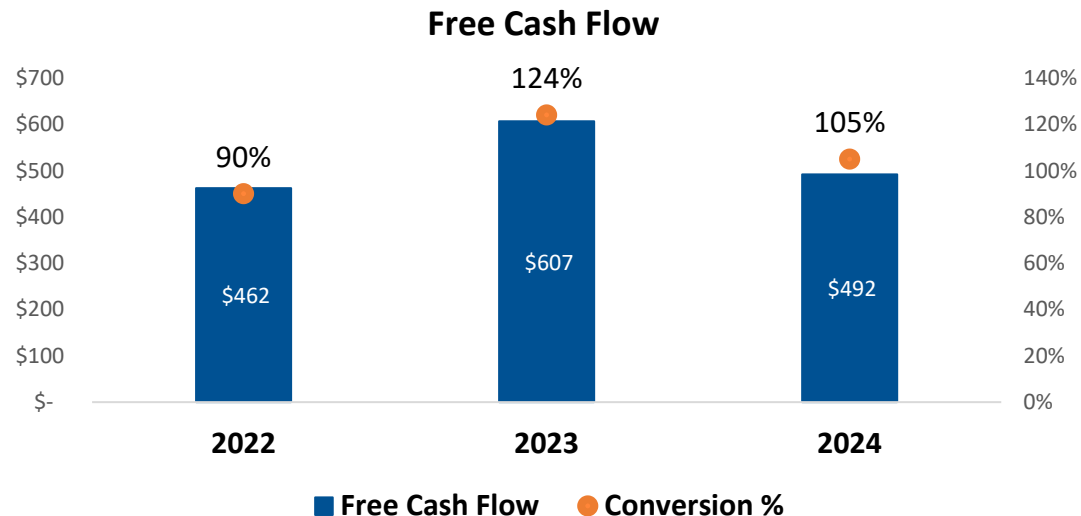


	4Q 2023	4Q 2024	Δ
Sales	\$719.3	\$744.5	↑ 4%
Operating Profit*	\$195.8	\$204.6	↑ 4%
EBITDA*	\$227.1	\$241.1	↑ 6%
EPS GAAP	\$2.22	\$2.12	↓ -5%
EPS Adjusted	\$2.71	\$2.78	↑ 3%

## Healthy Cash Flow with Sufficient Liquidity to Invest in Strategic Initiatives

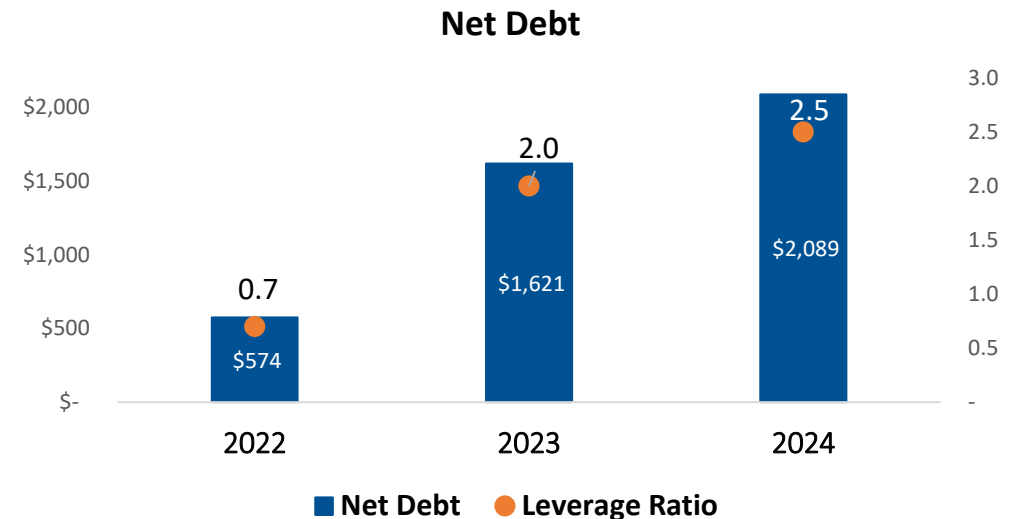
### Free Cash Flow

- Cash flow of \$492 million, which is a conversion rate of 105% of net income
- In-line with 2022 following record performance in the prior year



### Net Debt

- Cash totaled \$116 million
- 2.5x net debt leverage ratio based on trailing 12-month EBITDA



# 2025 Fiscal Full-Year Guidance

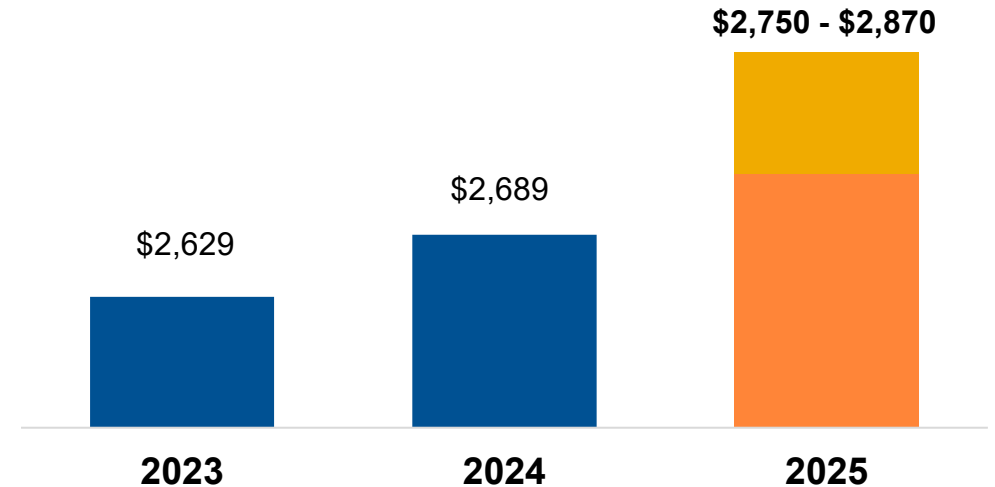


## Full-Year Growth from Record 2024

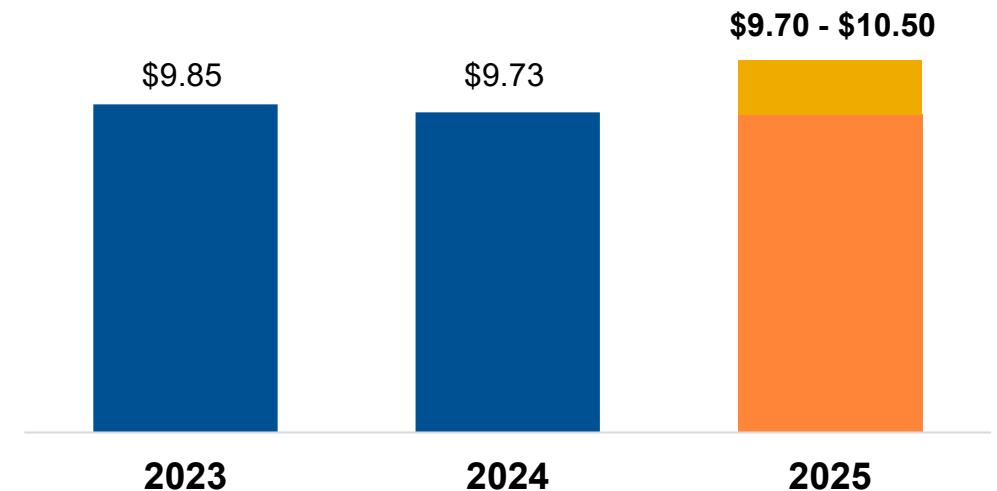
- Ascend strategy is advancing and delivering results
- Backlog, including Atrion, is ~\$580 million
- Fiscal 2025 sales growth of 2% to 7%, inclusive of FX headwind of (1.5)%
- Adjusted earnings in the range of neutral to 8% growth
- For modeling purposes, consider:

	FY2025 Range
Effective tax rate	19-21%
Cap-ex	\$50-60 million
Interest	\$90-\$100 million

### Full-year Sales Guidance



### Full-Year Adjusted EPS Guidance



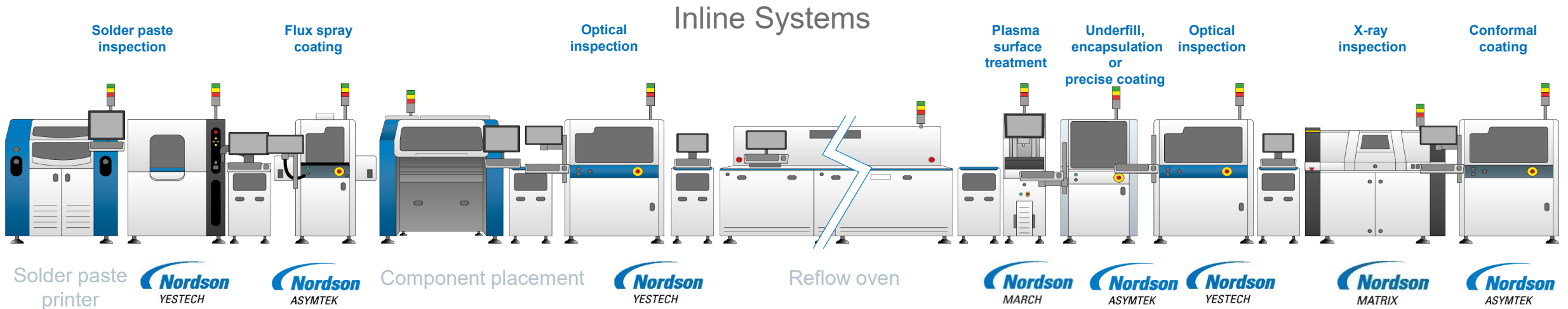
Appendix 1:

# Product Innovation

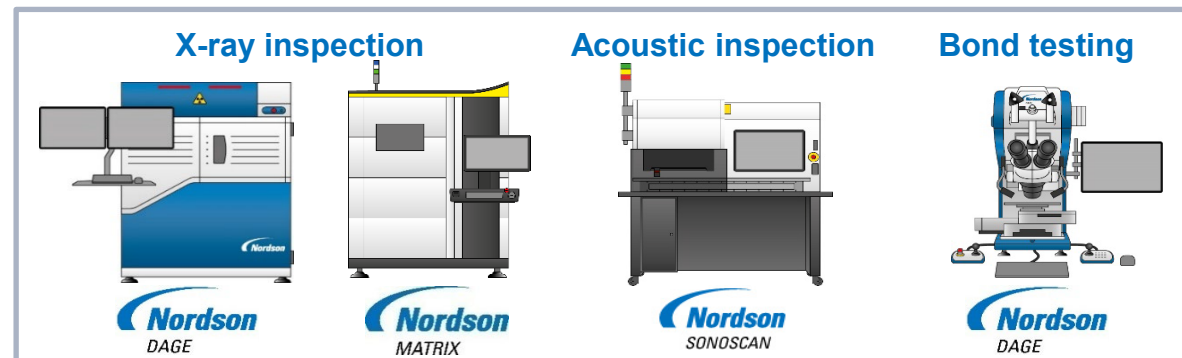


# Our Electronics Industry Position

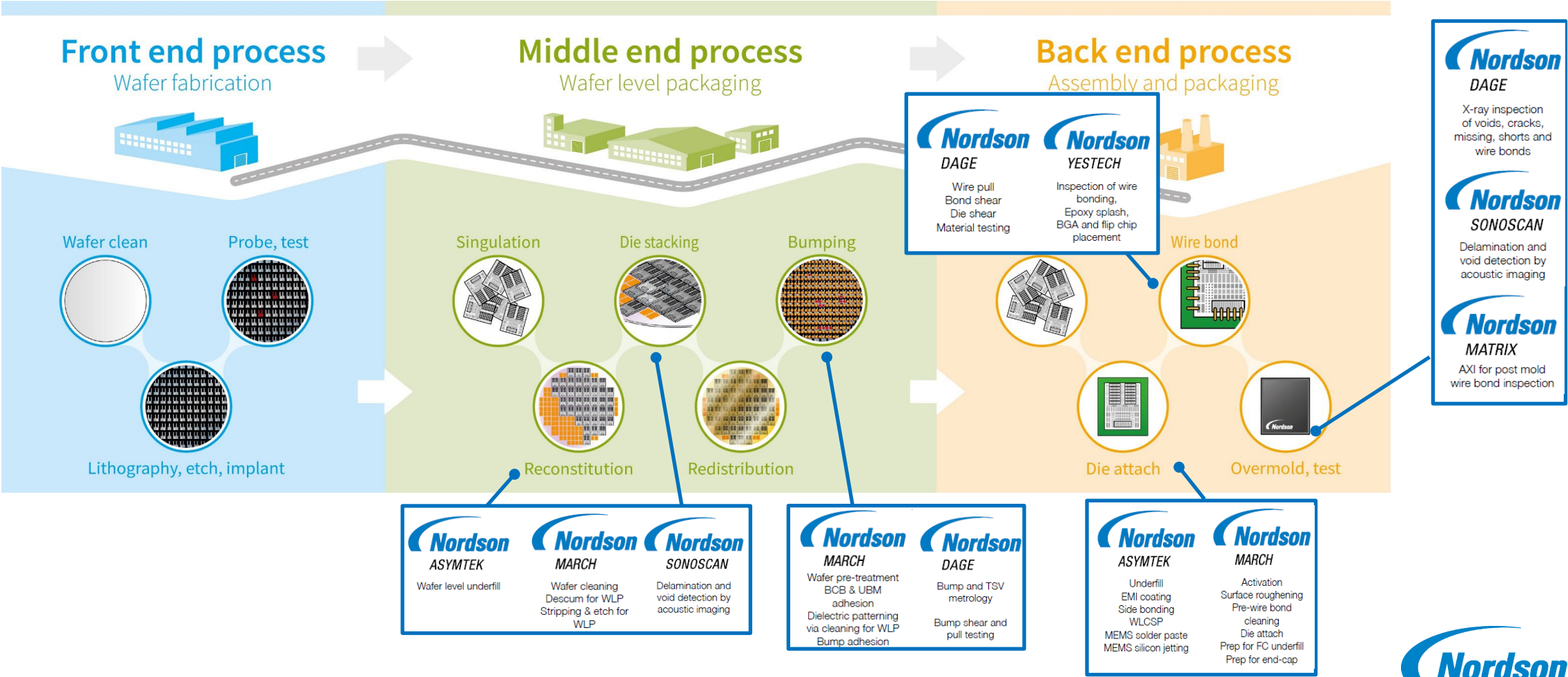
## Surface Mount Manufacturing



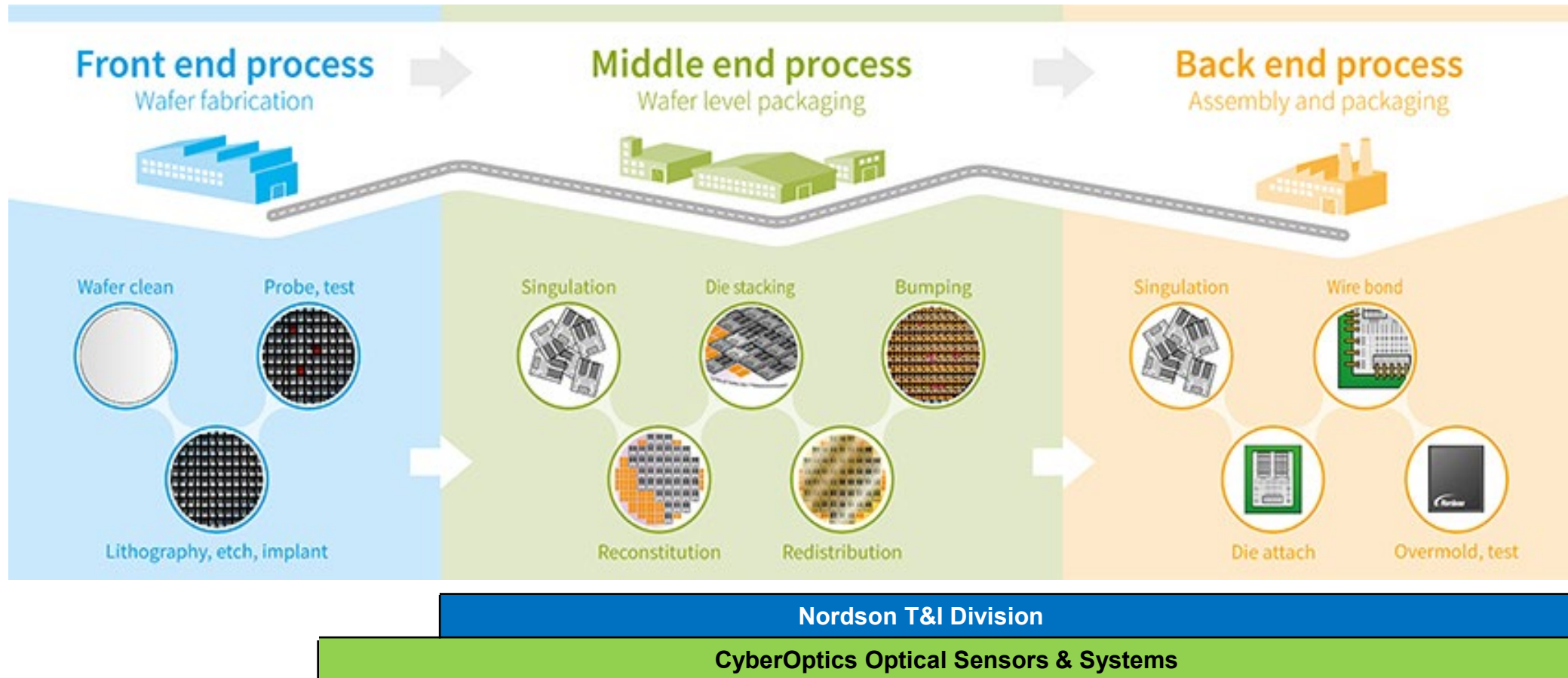
## QA Lab / Island of Automation



# Our Role in the Semiconductor Process



# CyberOptics expands market opportunities



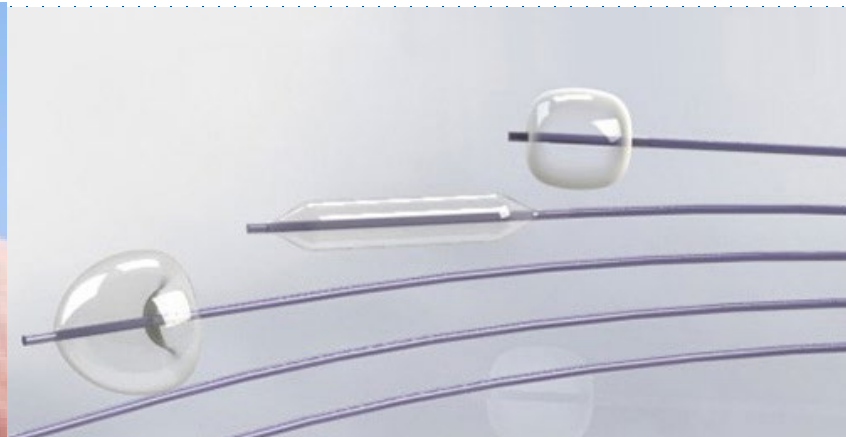
*3D Optical semi market expected to grow ~15%+,  
exceeding the broader 'Wafer Fab Equipment' market LSD '23 – '25 growth*

# 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

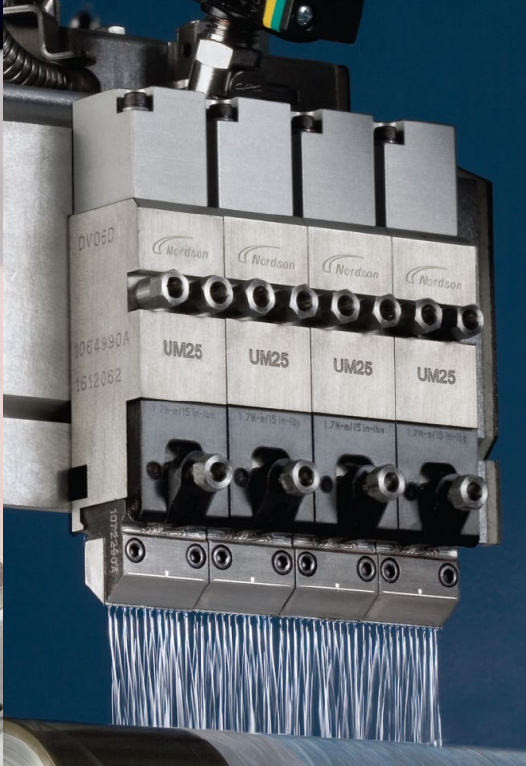
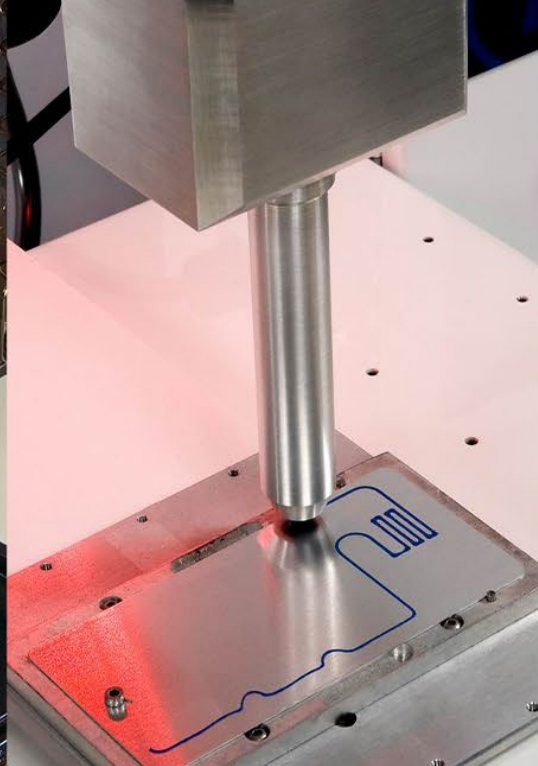
From specialty tubing, catheters, medical balloons, Nordson is an expert in the design, development and manufacture of complex medical devices and component technologies.



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:

- EBITDA is defined as operating profit plus certain adjustments, such as severance, fees and non-cash inventory charges associated with acquisitions, 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.
- Organic sales defined as sales growth excluding the impacts of changes in foreign currencies and acquisitions. We express period over period revenue variances 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 fourth quarter and full-year ended October 31, 2024, for a reconciliation of the non-GAAP measures Adjusted Operating Profit and EBITDA.

# Reconciliation of Non-GAAP Measures



## Net Income to Adjusted EBITDA (Dollars in thousands)

**NORDSON CORPORATION**  
**RECONCILIATION OF NON-GAAP MEASURES - NET INCOME TO EBITDA (Unaudited)**  
**(Dollars in thousands)**

	Three Months Ended		Twelve Months Ended	
	October 31, 2024	October 31, 2023	October 31, 2024	October 31, 2023
Net income	122,168	127,778	467,284	487,493
Income taxes	25,904	32,802	118,197	127,846
Interest expense - net	27,282	25,921	84,011	56,825
Other expense - net	3,538	(1,462)	4,509	597
Depreciation and amortization	36,528	31,261	136,175	111,898
Inventory step-up amortization <sup>(1)</sup>	4,759	4,556	7,703	8,862
Severance and other <sup>(1)</sup>	12,717	—	17,332	5,487
Acquisition-related costs <sup>(1)</sup>	8,200	6,244	13,957	19,966
EBITDA (non-GAAP) <sup>(2)</sup>	241,096	227,100	849,168	818,974

<sup>(1)</sup> Represents severance as well as fees and non-cash inventory charges associated with acquisitions.

<sup>(2)</sup> EBITDA is a non-GAAP measure used by management to evaluate the Company's ongoing operations. EBITDA is defined as operating profit plus certain adjustments, such as severance, fees and non-cash inventory charges associated with acquisitions, plus depreciation and amortization.

# Reconciliation of Non-GAAP Measures



## Adjusted Operating Profit and EBITDA (Dollars in thousands)

**NORDSON CORPORATION**  
**RECONCILIATION OF NON-GAAP MEASURES - EBITDA (Unaudited)**  
(Dollars in thousands)

	Three Months Ended		Twelve Months Ended		
	October 31, 2024	October 31, 2023	October 31, 2024	October 31, 2023	
<b>SALES BY SEGMENT</b>					
Industrial precision solutions	\$ 392,150	\$ 405,436	\$1,484,249	\$1,391,046	
Medical and fluid solutions	200,223	168,632	695,452	660,316	
Advanced technology solutions	152,109	145,245	510,220	577,270	
Total sales	<u>\$ 744,482</u>	<u>\$ 719,313</u>	<u>\$2,689,921</u>	<u>\$2,628,632</u>	
<b>OPERATING PROFIT</b>					
Industrial precision solutions	\$ 126,254	\$ 131,450	\$ 470,559	\$ 460,889	
Medical and fluid solutions	44,264	48,041	187,731	189,367	
Advanced technology solutions	33,464	31,526	94,231	101,662	
Corporate	(25,090)	(25,978)	(78,520)	(79,157)	
Total operating profit	<u>\$ 178,892</u>	<u>\$ 185,039</u>	<u>\$ 674,001</u>	<u>\$ 672,761</u>	
<b>OPERATING PROFIT ADJUSTMENTS <sup>(1)</sup></b>					
Industrial precision solutions	\$ 2,899	\$ 4,658	\$ 8,976	\$ 4,658	
Medical and fluid solutions	10,761	—	10,761	1,479	
Advanced technology solutions	3,816	—	5,895	14,304	
Corporate	8,200	6,142	13,360	13,874	
Total adjustments	<u>\$ 25,676</u>	<u>\$ 10,800</u>	<u>\$ 38,992</u>	<u>\$ 34,315</u>	
<b>DEPRECIATION &amp; AMORTIZATION</b>					
Industrial precision solutions	\$ 14,035	\$ 12,062	\$ 56,856	\$ 33,228	
Medical and fluid solutions	17,239	13,547	58,061	54,988	
Advanced technology solutions	3,340	3,529	13,433	15,185	
Corporate	1,914	2,123	7,825	8,497	
Total depreciation & amortization	<u>\$ 36,528</u>	<u>\$ 31,261</u>	<u>\$ 136,175</u>	<u>\$ 111,898</u>	
<b>EBITDA (NON-GAAP) <sup>(2)</sup></b>					
Industrial precision solutions	\$ 143,188	37 % \$ 148,170	37 % \$ 536,391	36 % \$ 498,775	36 %
Medical and fluid solutions	72,264	36 % 61,588	37 % 256,553	37 % 245,834	37 %
Advanced technology solutions	40,620	27 % 35,055	24 % 113,559	22 % 131,151	23 %
Corporate	(14,976)	(17,713)	(57,335)	(56,786)	
Total EBITDA	<u>\$ 241,096</u>	32 % <u>\$ 227,100</u>	32 % <u>\$ 849,168</u>	32 % <u>\$ 818,974</u>	31 %

<sup>(1)</sup> Represents severance as well as fees and non-cash inventory charges associated with acquisitions.

<sup>(2)</sup> EBITDA is a non-GAAP measure used by management to evaluate the Company's ongoing operations. EBITDA is defined as operating profit plus certain adjustments, such as severance, fees and non-cash inventory charges associated with acquisitions, plus depreciation and amortization.

# Reconciliation of Non-GAAP Measures



Profitability (Dollars in thousands)

**NORDSON CORPORATION**

**RECONCILIATION OF NON-GAAP MEASURES - ADJUSTED NET INCOME AND EARNINGS PER SHARE**  
(Unaudited)  
(Dollars in thousands)

	Three Months Ended		Twelve Months Ended	
	October 31, 2024	October 31, 2023	October 31, 2024	October 31, 2023
<b><u>GAAP AS REPORTED</u></b>				
Operating profit	\$ 178,892	\$ 185,039	\$ 674,001	\$ 672,761
Other / interest expense - net	(30,820)	(24,459)	(88,520)	(57,422)
Net income	122,168	127,778	467,284	487,493
Diluted earnings per share	\$ 2.12	\$ 2.22	\$ 8.11	\$ 8.46
Shares outstanding - diluted	57,603	57,552	57,616	57,631
<b><u>OPERATING PROFIT ADJUSTMENTS</u></b>				
Inventory step-up amortization	\$ 4,759	\$ 4,556	\$ 7,703	\$ 8,862
Severance and other	12,717	—	17,332	5,487
Acquisition costs	8,200	6,244	13,957	19,966
<b><u>ACQUISITION AMORTIZATION OF INTANGIBLES</u></b>				
	\$ 19,560	\$ 17,880	\$ 76,972	\$ 59,719
<b><u>INTEREST</u></b>				
	908	6,817	908	6,817
Total adjustments	\$ 46,144	\$ 35,497	\$ 116,872	\$ 100,851
Adjustments net of tax	\$ 38,071	\$ 28,247	\$ 93,278	\$ 79,898
EPS effect of adjustments and other discrete tax items	\$ 0.66	\$ 0.49	\$ 1.62	\$ 1.39
<b><u>NON-GAAP MEASURES-ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE</u></b>				
Adjusted net income <sup>(1)</sup>	\$ 160,239	\$ 156,025	\$ 560,562	\$ 567,391
Adjusted earnings per share <sup>(2)</sup>	\$ 2.78	\$ 2.71	\$ 9.73	\$ 9.85

<sup>(1)</sup> Adjusted net income is a non-GAAP measure defined as net income plus tax effected adjustments and other discrete tax items.

<sup>(2)</sup> Adjusted earnings per share is a non-GAAP measure defined as GAAP EPS adjusted for tax effected adjustments and other discrete tax items.



# Reconciliation of Non-GAAP Measures

## Operating Cash Flow to Free Cash Flow



### NORDSON CORPORATION

#### RECONCILIATION OF NON-GAAP MEASURES - OPERATING CASH FLOW TO FREE CASH FLOW (Unaudited) (Dollars in thousands)

	Year to Date			
	October 31, 2024	July 31, 2024	April 30, 2024	January 31, 2024
Net cash provided by operating activities	\$ 556,193	\$ 459,812	\$ 294,964	\$ 172,356
Additions to property, plant and equipment	(64,410)	(43,786)	(21,907)	(7,530)
Free Cash Flow - Year to Date <sup>(1)</sup>	491,783	416,026	273,057	164,826
Free Cash Flow - Quarter to Date <sup>(2)</sup>	75,757	142,969	108,231	164,826
Net Income - Year to Date	\$ 467,284			
Free Cash Flow Conversion <sup>(3)</sup>	105 %			

	Year to Date			
	October 31, 2023	July 31, 2023	April 30, 2023	January 31, 2023
Net cash provided by operating activities	\$ 641,282	\$ 478,072	\$ 287,905	\$ 123,337
Additions to property, plant and equipment	(34,583)	(24,244)	(15,349)	(9,302)
Free Cash Flow <sup>(1)</sup>	606,699	453,828	272,556	114,035
Free Cash Flow - Quarter to Date <sup>(2)</sup>	152,871	181,272	158,521	114,035

<sup>(1)</sup> Free Cash Flow - Year to Date is a non-GAAP measure used by management to evaluate the Company's ongoing operations and is defined as Net cash provided by operating activities minus Additions to property, plant and equipment.

<sup>(2)</sup> Free Cash Flow - Quarter to Date is a non-GAAP measure used by management to evaluate the Company's ongoing operations and is equal to Free Cash Flow - Year to Date less prior period Free Cash Flow - Year to Date.

<sup>(3)</sup> Free Cash Flow Conversion - Year to Date is a non-GAAP measure used by management to evaluate the Company's ongoing operations and is defined as Free Cash Flow - Year to Date divided by Net Income - Year to Date.