



2018 Baird Global Industrial Conference

Michael F. Hilton
President and CEO

November 7, 2018 | NASDAQ: NDSN

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

Information in this presentation may contain “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “projects,” or “potential” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters.

All statements regarding our future performance, earnings projections, events or developments are forward-looking statements. These forward-looking statements are made based on known events and circumstances at the time of release, and as such, are subject in the future to unforeseen uncertainties and risks that could cause actual results to differ materially from those contained in any forward-looking statement. Such risks and uncertainties are described under “Risk Factors” in Item 1A of our annual report on Form 10-K and any updates to those factors set forth in our subsequent quarterly reports on Form 10-Q or current reports on Form 8-K. We make these statements as of the date of this disclosure, and undertake no obligation to update them unless otherwise required by law.



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

1954

Company Founded

\$2.1B

Fiscal 2017
Revenue

\$458M

Fiscal 2017
Operating Profit

7,500+

Employees

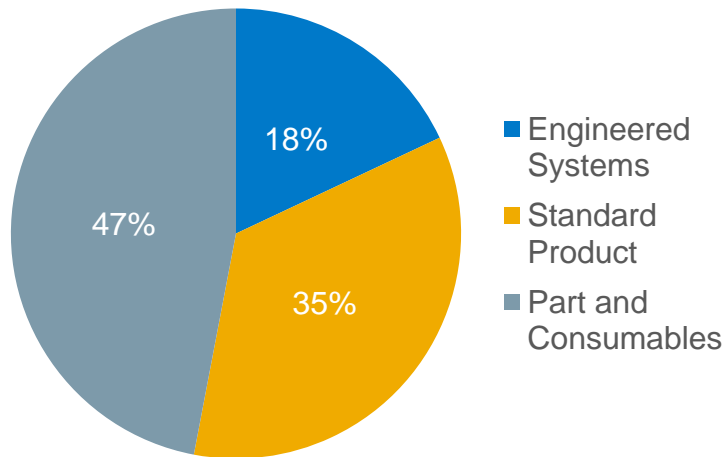
35+

Countries

Diversified Sources of Revenue

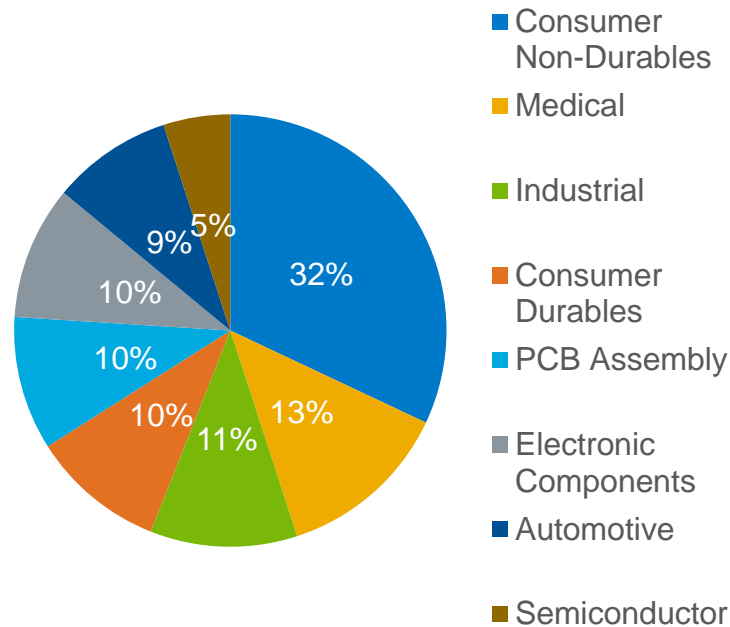
FY2017 Profile - \$2.1 billion

Product Type



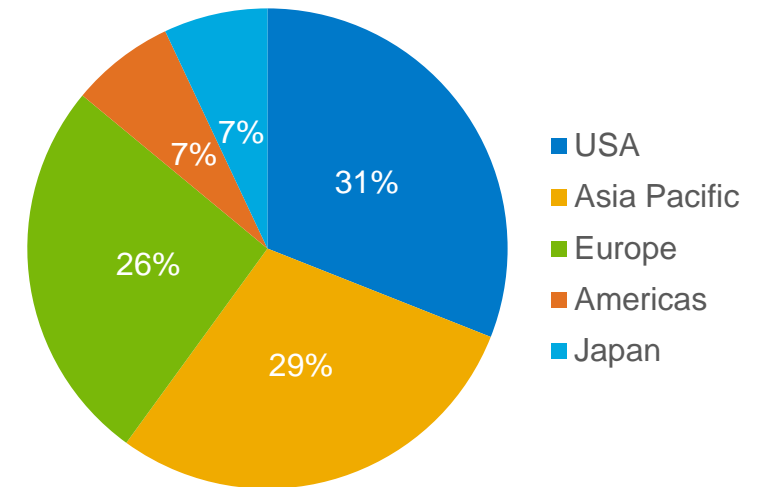
High percentage of recurring revenue from parts and consumables.

Diverse End Markets



Consumer non-durables, durables, industrial, medical and technology.

Geography



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



Nordson Business Segments



ADVANCED TECHNOLOGY SYSTEMS
44%

Precision dispense solutions for electronics, medical and general industrial end markets.

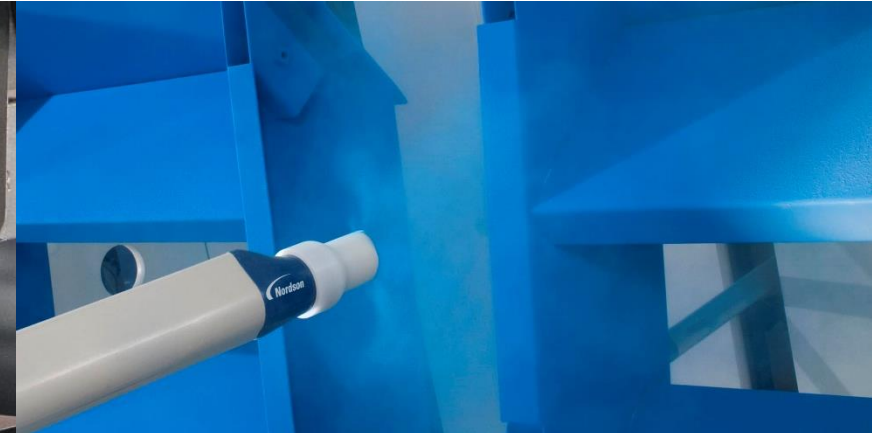
Targeted organic growth rate:
2-3x Global GDP



ADHESIVE DISPENSING SYSTEMS
44%

Leader in hot melt dispense solutions for recession-resistant, consumer non-durable end markets.

Targeted organic growth rate:
1.5-2x Global GDP



INDUSTRIAL COATINGS SYSTEMS
12%

Equipment dispense solutions for the consumer durable goods and industrial end markets.

Targeted organic growth rate:
Global GDP+



Our Priorities

Our plan is to deliver top shareholder returns by growing and extending our high value business model in precision dispensing and adjacent technologies.

1 Accelerate organic growth

2 Add key acquisitions

3 Further optimize the business

1 Organic Growth

We expect to accelerate organic growth by creating our own demand.

Multiple paths to organic growth:

1. Emerging Markets
2. Recapitalize Installed Base
3. New Products
4. New Applications

Reported Organic Growth (2013-2017)

4.9% Average Annual Growth

2 Key Acquisitions

Additional growth comes through the acquisition of companies that share our business model characteristics and can leverage our global infrastructure.

Key criteria for acquisitions:

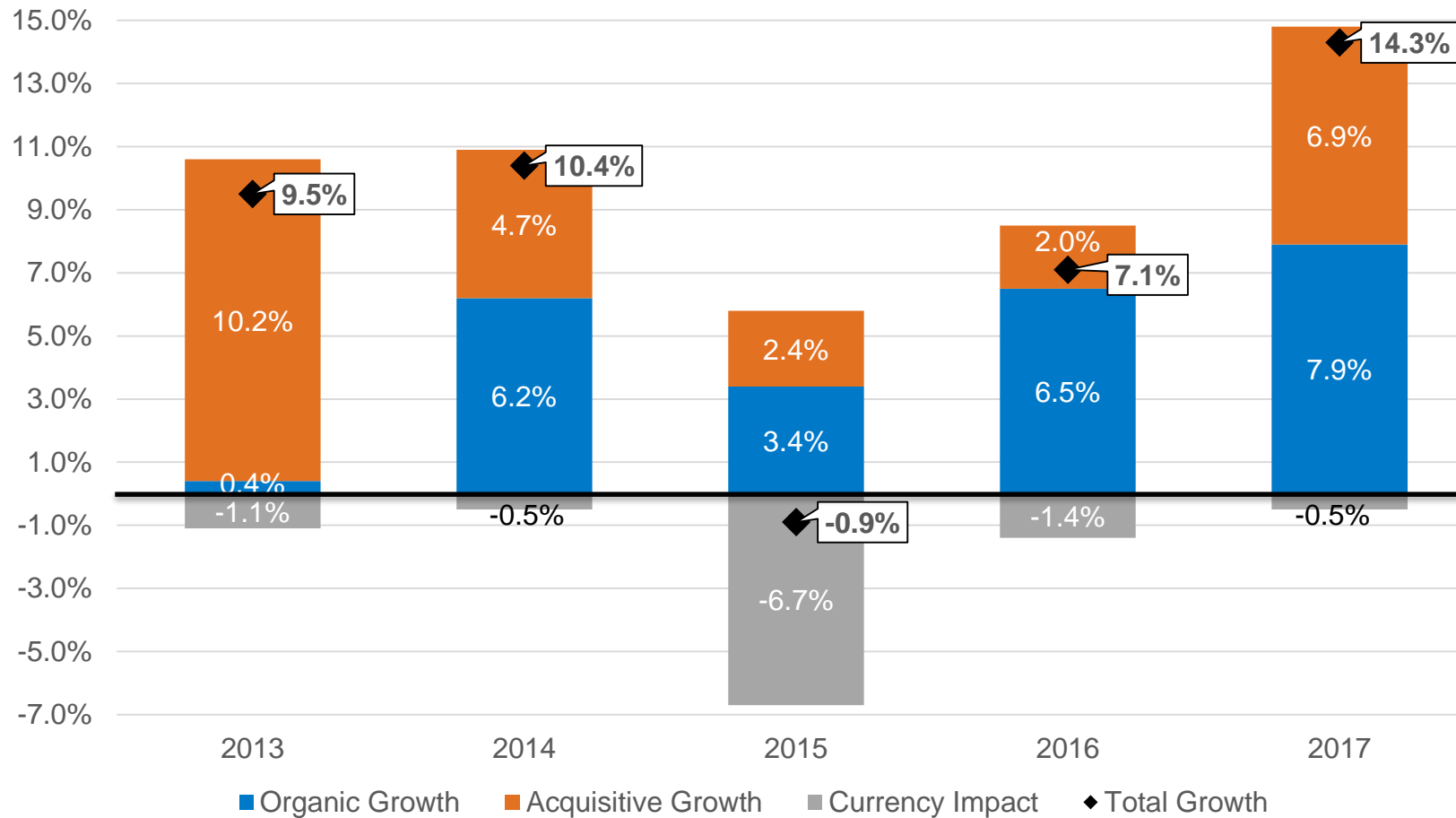
1. Strategic Fit
2. Strong Performers
3. Proprietary Technology
4. Growth Rate at or above Nordson
5. High % of Recurring Revenue
6. Reasonable Multiples
7. Revenue and Cost Synergies

Growth from acquisitions (2013-2017):

5.2% Average Annual Growth

Strong Growth: Organic and Acquisitive

High Quality Properties Supplement Organic Growth



3 Optimize Business

Driving continuous improvements across the organization.



Key performance indicators:

1. Growth Initiatives
2. Price Effectiveness
3. Cost Reduction Initiatives
4. Cost of Poor Quality
5. Customer Delivery Performance
6. Days of Sales in Inventory
7. Productivity
8. Sales from New Products

Proven Financial Performance

Strong revenue growth:

8% CAGR

(2012-2017)

Outstanding gross margins:

56% Gross Margin

(Average 2012-2017)

Excellent EBITDA margins:

25% EBITDA Margin

(Average 2012-2017)

High level of free cash flow before dividends:

\$1.5 Billion

(100% of net income / 2012-2017)

Strong cash returns to shareholders:

\$1.0 Billion

(Share repurchases and dividends / 2012-2017)

Outstanding long-term Total Shareholder Returns

122% TSR*

(2012-2017)



*((Share Price at 10/31/2017 – Share Price at 10/31/2012 + dividends) / Share Price at 10/31/2012) = ((\$126.69 - \$59.03 + \$4.39) / \$59.03) = 122%



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