



# 1Q Fiscal 2025 Webcast

February 20, 2025

**Ascend**  
STRATEGY



NBS NEXT



OWNER MINDSET



WINNING TEAMS

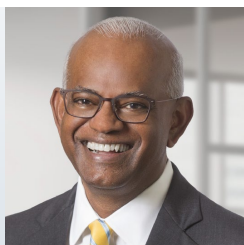
# Safe Harbor Statement

## 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 these 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, including new or increased tariffs or trade restrictions; the effects of changes in tax law; and the possible effects of events beyond our control, such as political unrest, conflicts or wars between sovereign nations, acts of terror, natural disasters and pandemics, including the 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.

## 1Q 2025 Webcast – February 20, 2025

- 1<sup>st</sup> Quarter Highlights
- Sales Performance and Earnings Review
- Balance Sheet and Cash Flow
- Enterprise Performance
- 2Q 2025 Guidance
- Q&A



**Sundaram Nagarajan**

President &  
Chief Executive Officer



**Dan Hopgood**

Executive Vice President &  
Chief Financial Officer



**Lara Mahoney**

Vice President,  
Investor Relations

# 1Q 25 Highlights

*Managed earnings and cash flow in challenging demand environment*

- Sales of \$615M at the low end of guidance range, reflecting market uncertainty
- Order entry and backlog improving across all segments
- Operational excellence driving strong profit performance despite weaker sales environment
- Atrion acquisition continues to perform above valuation model expectations
- Strong cash flow performance and balanced capital deployment

# Total Company – 1Q 2025



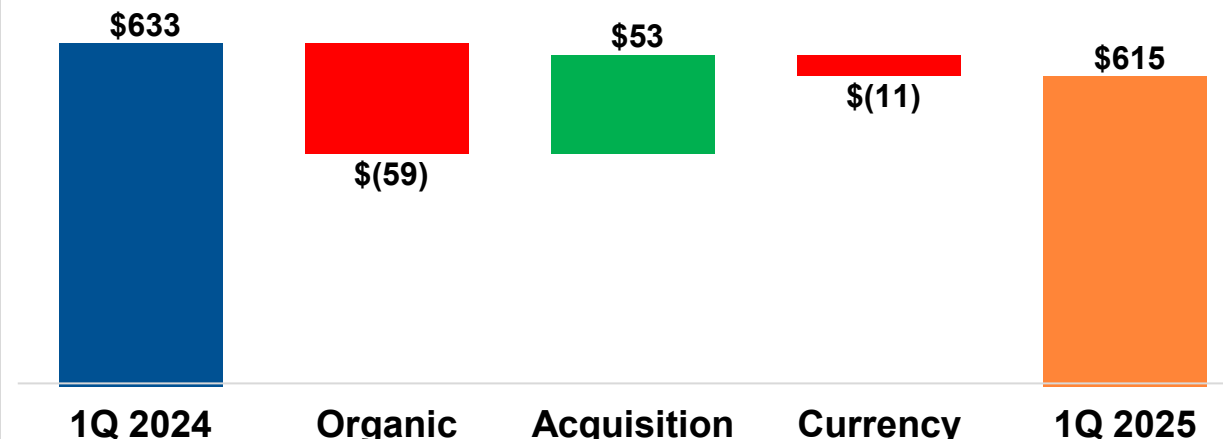
## Sales

- Reported sales of \$615M, a decrease of 3%, at the low end of prior guidance range
- 8% growth from the Atrion acquisition; unfavorable currency impact of 2%
- 9% organic decrease driven by weakness in polymer processing, industrial coatings, electronics dispense, and select medical product lines

## EBITDA\*

- EBITDA was \$188 million, down 4% on lower sales volume
- Strong EBITDA margin of 31% in line with prior year

## 1Q 2025 Sales Bridge\*\*



	1Q 2024	1Q 2025	Δ
Sales	\$633.2	\$615.4	↓ -3%
Operating Profit*	\$163.0	\$151.1	↓ -7%
EBITDA*	\$196.5	\$188.1	↓ -4%
EPS GAAP	\$1.90	\$1.65	↓ -14%
EPS Adjusted*	\$2.21	\$2.06	↓ -7%

\*\*Amounts may not add due to rounding.

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

# Industrial Precision Solutions – 1Q 2025



## Sales

- Sales of \$300 million, a decrease of 11%
- Organic decrease of 8% driven by weaker systems demand in polymer processing and industrial coatings product lines, partially offset by growth in nonwovens and packaging product lines

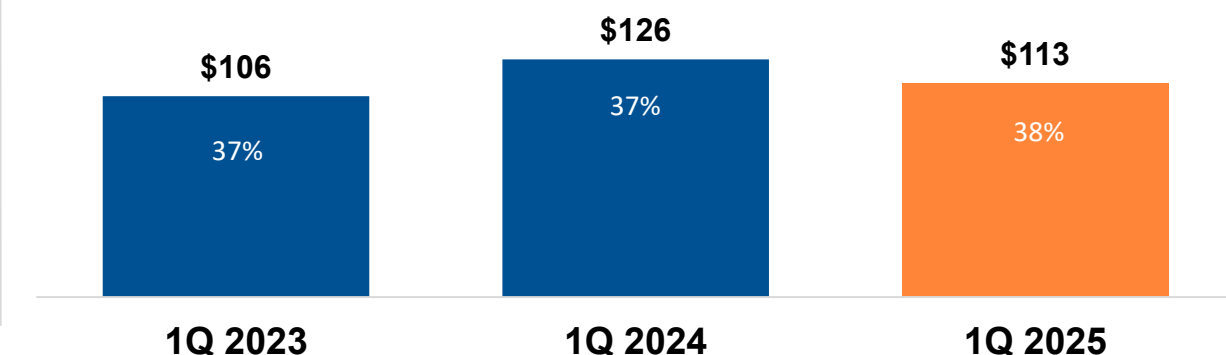
## EBITDA\*

- EBITDA was \$113 million, or 38% of sales, with decremental margins of 34%
- EBITDA margin improved on lower net sales due to higher mix of parts and consumables

## 1Q 2025 IPS Sales Bridge\*\*



## EBITDA and Margin



# Medical and Fluid Solutions – 1Q 2025



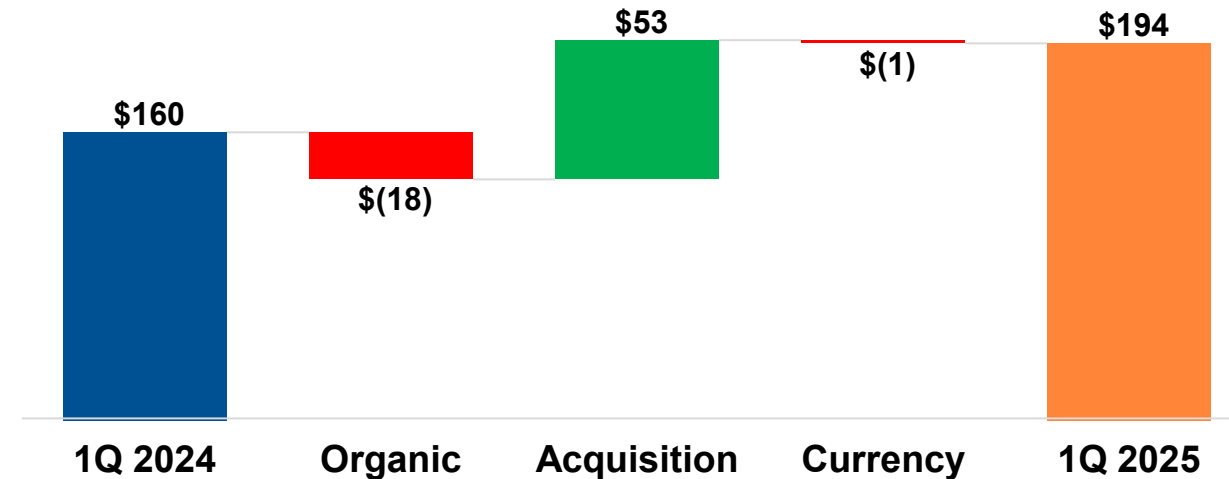
## Sales

- Sales of \$194 million, an increase of 21%
- 33% growth from strong Atrion acquisition performance
- 11% organic decrease driven by decline in medical interventional solutions due to customer destocking trends and MFS long-term strategic program rationalization

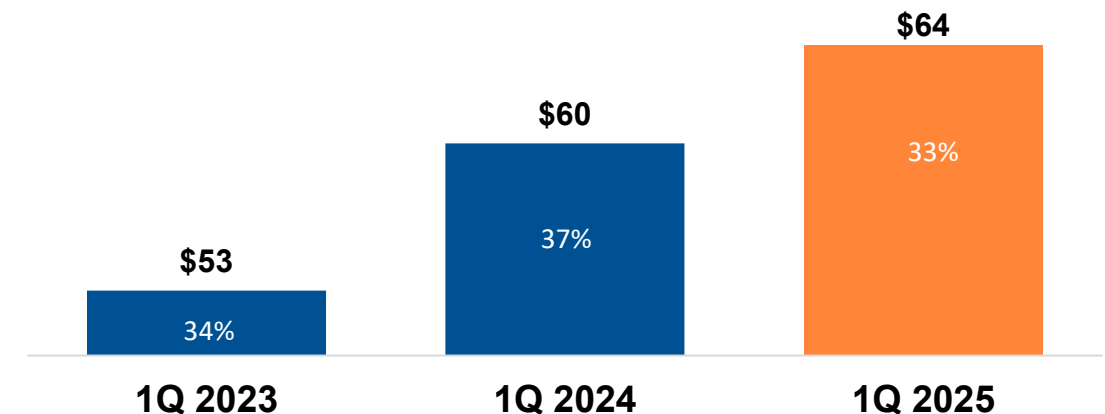
## EBITDA\*

- EBITDA was \$64 million, or 33% of sales, despite the full quarter inclusion of Atrion and lower organic sales volumes

### 1Q 2025 MFS Sales Bridge\*\*



### EBITDA and Margin





# Advanced Technology Solutions – 1Q 2025



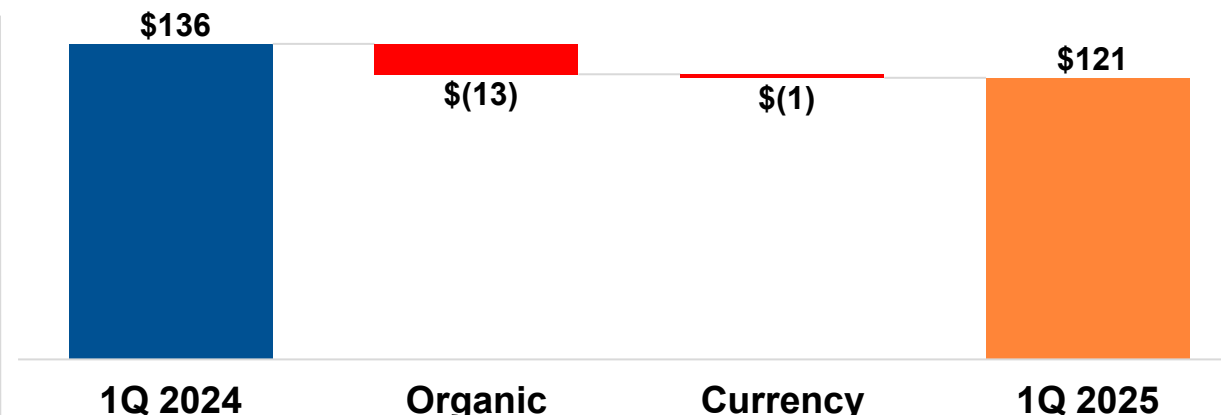
## Sales

- Sales were \$121 million, an 11% decrease
- 10% organic decline driven by timing of electronics dispense and x-ray systems deliveries, partially offset by double-digit growth in optical sensors and measurement and control product lines
- Orders accelerating at the end of the quarter across all product lines well above prior year

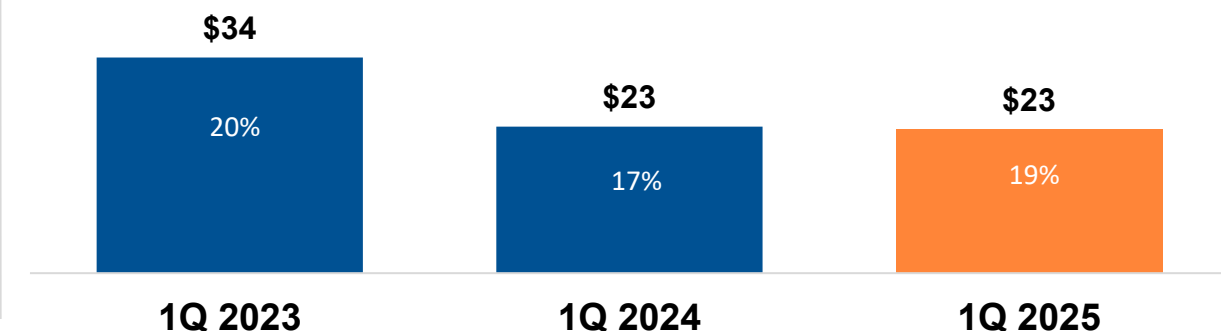
## EBITDA\*

- EBITDA was flat year over year at \$23 million, or 19% of sales despite lower sales
- EBITDA margin 200 bps above prior year due to strong cost management and manufacturing improvements

## 1Q 2025 ATS Sales Bridge\*\*



## EBITDA and Margin

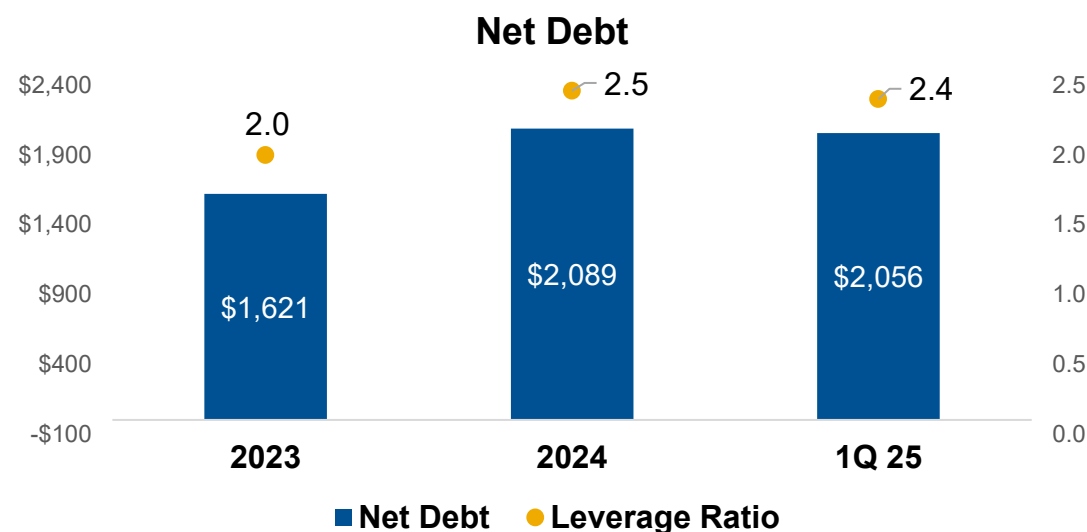




## Balanced Capital Deployment Returning Value to Shareholders

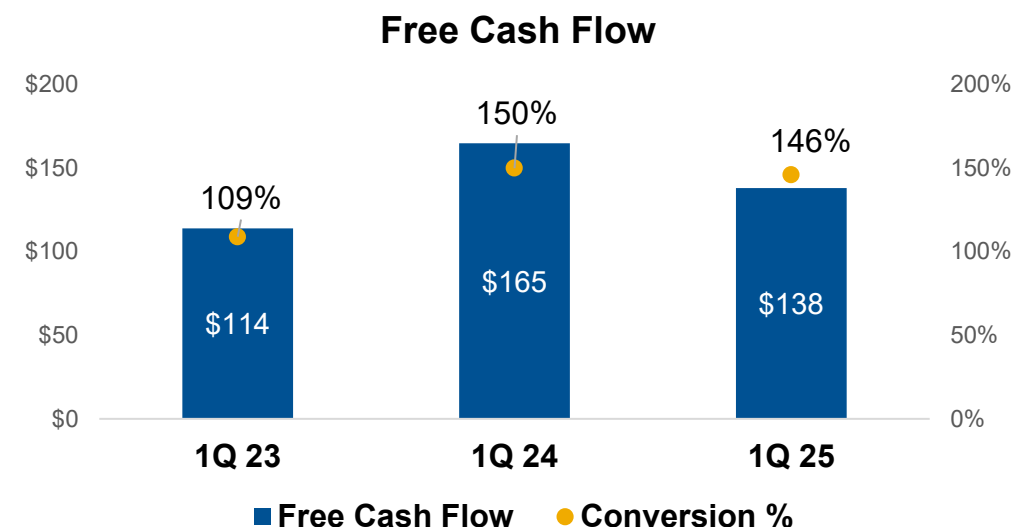
### Net Debt

- Cash totaled \$130 million
- 2.4x net debt leverage ratio based on trailing 12-month EBITDA, a reduction from prior quarter



### Free Cash Flow\*

- Cash flow of \$138 million, which is a conversion rate of 146% of net income, deployed toward:
  - Share repurchases of \$60M
  - Dividend payments of \$45M
  - Capital investments of \$21M



\*Non-GAAP number – See appendix for reconciliation.

# Strategically positioned for growth



Atrion acquisition delivering

- Strong technology portfolio, including successful new product launch
- Integration proceeding well
- Exceeding valuation model expectations



Customer Recognition

- **SpinSAM Acoustic Inspection** wins three industry awards
- **QuadraPro X-Ray System** recognized by Productronica
- **ARAG Orion Pro** wins EIMA technical innovation award
- Supplier awards from TSMC and Jabil



Steadfast competitive advantages

- Differentiated products
- Customer intimate sales model
- Diversified niche of end markets
- Owner Mindset
- High quality growth compounder in all environments

# 2Q Fiscal 2025 Guidance

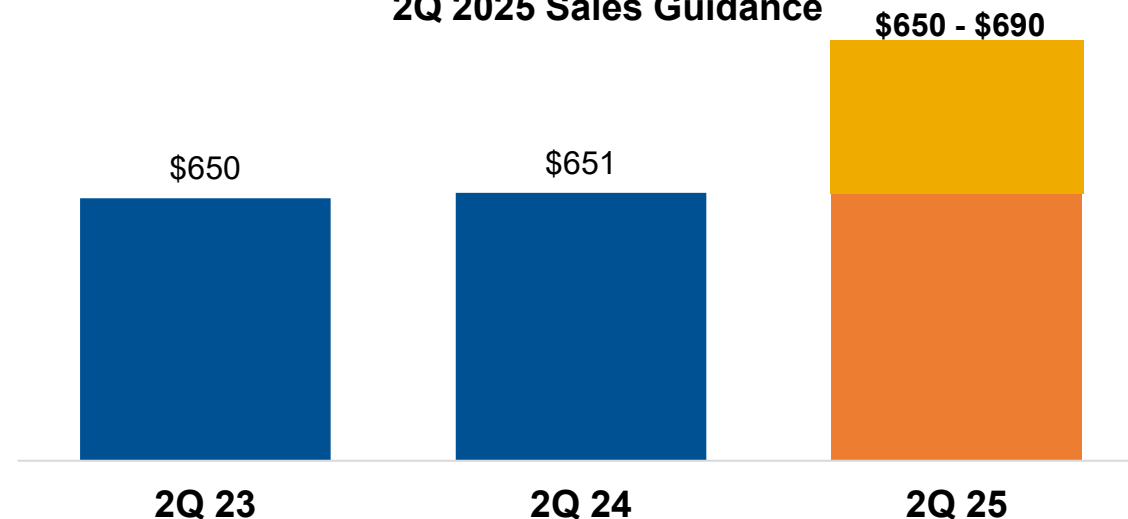


## Steady performance moving into 2Q

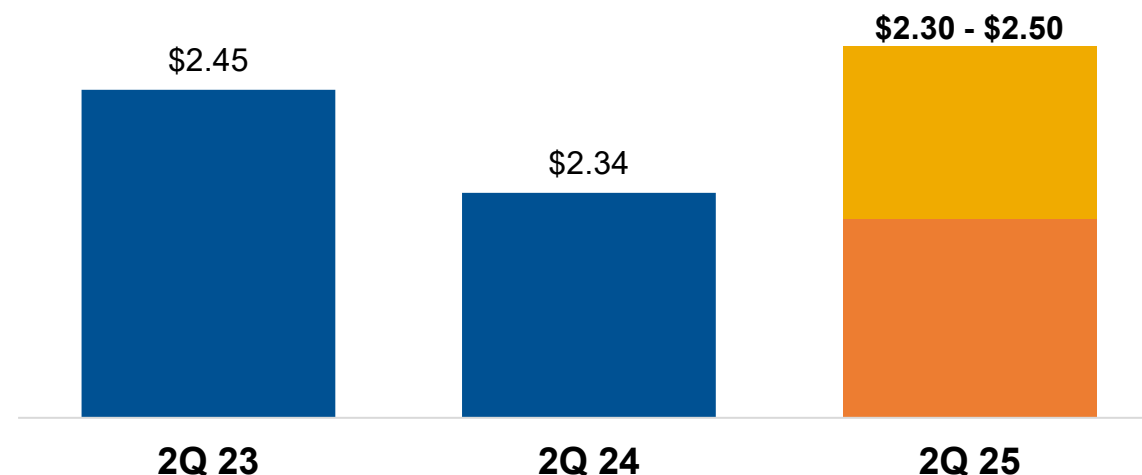
- Historical seasonality and order entry trends support moderate increases in sales and earnings sequentially
- Backlog grew by ~\$85 million or 15% in the first quarter, ending at approximately \$670 million
- Order entry progressively improved throughout the quarter across all segments

**Maintaining full-year guidance ranges, with sales expected to be toward the low end**

2Q 2025 Sales Guidance



2Q 2025 Adjusted EPS Guidance



# Questions?

# 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	
	January 31, 2025	January 31, 2024
Net income	\$ 94,652	\$ 109,572
Income taxes	22,203	29,127
Interest expense - net	25,618	20,398
Other income (expense) - net	(1,526)	338
Depreciation and amortization	37,030	33,544
Inventory step-up amortization <sup>(1)</sup>	3,135	2,944
Severance and other	5,961	—
Acquisition-related costs <sup>(1)</sup>	1,030	597
EBITDA (non-GAAP) <sup>(2)</sup>	<u>\$ 188,103</u>	<u>\$ 196,520</u>

<sup>(1)</sup> Represents fees, severance 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				
	January 31, 2025		January 31, 2024		
<b><u>SALES BY SEGMENT</u></b>					
Industrial Precision Solutions	\$	300,448	\$	337,742	
Medical and Fluid Solutions		193,609		159,526	
Advanced Technology Solutions		121,363		135,925	
Total sales	\$	<u>615,420</u>	\$	<u>633,193</u>	
<b><u>OPERATING PROFIT</u></b>					
Industrial Precision Solutions	\$	95,712	\$	109,098	
Medical and Fluid Solutions		40,936		46,100	
Advanced Technology Solutions		18,123		18,304	
Corporate		(13,824)		(14,067)	
Total operating profit	\$	<u>140,947</u>	\$	<u>159,435</u>	
<b><u>OPERATING PROFIT ADJUSTMENTS</u> <sup>(1)</sup></b>					
Industrial Precision Solutions	\$	4,611	\$	3,541	
Medical and Fluid Solutions		5,255		—	
Corporate		260		—	
Total adjustments	\$	<u>10,126</u>	\$	<u>3,541</u>	
<b><u>DEPRECIATION &amp; AMORTIZATION</u></b>					
Industrial Precision Solutions	\$	12,453	\$	12,920	
Medical and Fluid Solutions		18,141		13,705	
Advanced Technology Solutions		4,648		4,901	
Corporate		1,788		2,018	
Total depreciation & amortization	\$	<u>37,030</u>	\$	<u>33,544</u>	
<b><u>EBITDA (NON-GAAP)</u> <sup>(2)</sup></b>					
Industrial Precision Solutions	\$	112,776	38%	\$ 125,559	37%
Medical and Fluid Solutions		64,332	33%	59,805	37%
Advanced Technology Solutions		22,771	19%	23,205	17%
Corporate		(11,776)		(12,049)	
Total EBITDA	\$	<u>188,103</u>	31%	<u>\$ 196,520</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	
	January 31, 2025	January 31, 2024
<b><u>GAAP AS REPORTED</u></b>		
Operating profit	\$ 140,947	\$ 159,435
Other / interest expense - net	(24,092)	(20,736)
Net income	94,652	109,572
Diluted earnings per share	\$ 1.65	\$ 1.90
Shares outstanding - diluted	57,486	57,555
<b><u>OPERATING PROFIT ADJUSTMENTS</u></b>		
Inventory step-up amortization	\$ 3,135	\$ 2,944
Acquisition costs	1,030	597
Severance and other	5,961	—
<b><u>ACQUISITION AMORTIZATION OF INTANGIBLES</u></b>	\$ 19,311	\$ 19,387
<b><u>INTEREST</u></b>		
Total adjustments	\$ 29,437	\$ 22,928
Adjustments net of tax	\$ 23,844	\$ 18,113
EPS effect of adjustments and other discrete tax items	\$ 0.41	\$ 0.31
<b><u>NON-GAAP MEASURES-ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE</u></b>		
Adjusted Net income <sup>(1)</sup>	\$ 118,496	\$ 127,685
Adjusted Diluted earnings per share <sup>(2)</sup>	\$ 2.06	\$ 2.21

<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)

	<u>Year to Date</u>
	<u>January 31, 2025</u>
Net cash provided by operating activities	\$ 159,122
Additions to property, plant and equipment	(21,399)
Free Cash Flow - Year to Date <sup>(1)</sup>	137,723
Net Income - Year to Date	\$ 94,652
Free Cash Flow Conversion <sup>(2)</sup>	146 %

	<u>Year to Date</u>
	<u>January 31, 2024</u>
Net cash provided by operating activities	\$ 172,356
Additions to property, plant and equipment	(7,530)
Free Cash Flow - Year to Date <sup>(1)</sup>	164,826

<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 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.