



# 2Q Fiscal 2025

## Webcast

May 29, 2025



# 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.

## 2Q 2025 Webcast – May 29, 2025

- 2<sup>nd</sup> Quarter Highlights
- Portfolio Update
- Sales Performance & Earnings Review
- Balance Sheet and Cash Flow
- Enterprise Performance
- 3Q 2025 Guidance
- Q&A



**Sundaram Nagarajan**

President &  
Chief Executive Officer



**Dan Hopgood**

Executive Vice President &  
Chief Financial Officer



**Lara Mahoney**

Vice President,  
Investor Relations



# 2Q 2025 Highlights

Strong sales and operating performance in dynamic global environment

- Sales of \$683M, above the midpoint of guidance and up 5% year over year
- Order entry and backlog remains strong across all segments
- Adjusted EPS increased 3%, as operational excellence drove strong profit performance despite uncertainty in geopolitical environment
- Atrion acquisition continues to perform above valuation model expectations
- Balanced capital allocation



## Focusing resources on differentiated technology

### Divesting select portions of remaining design and development business

- Signed agreement to divest certain contract manufacturing product lines within our medical interventional solutions business
- Action improves growth outlook and is expected to be accretive to MFS segment EBITDA margins
- Expected to close in early 4Q fiscal 2025.

### Prioritizing above-market growth in proprietary medical components

- Drive above market growth of remaining ~\$800M medical and fluid solutions product lines, including components and proprietary devices for minimally invasive procedures, such as balloons, catheters and nitinol devices
- Customer pipeline remains strong
- Aligns with Company commitment to focus on higher value growth opportunities



# Total Company – 2Q 2025



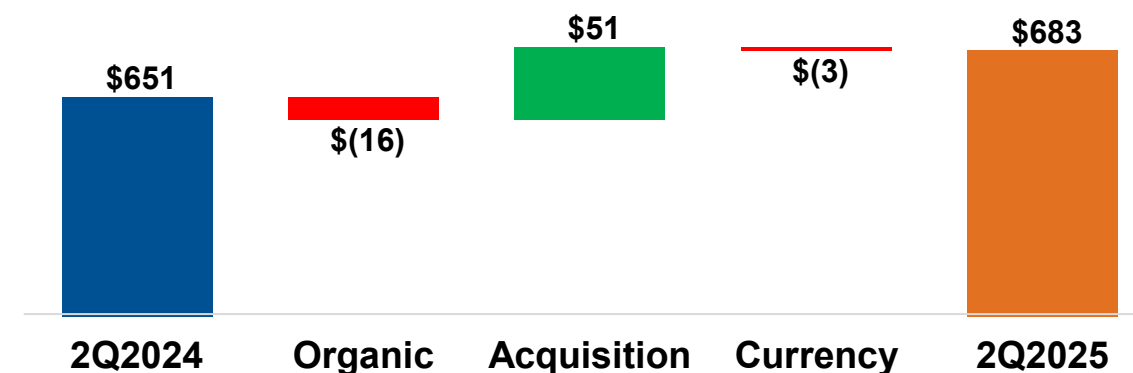
## Sales

- Reported sales of \$683M, an increase of 5%, above the mid-point of prior guidance range
- 8% growth from the Atrion acquisition; unfavorable currency impact of 0.4%
- 2% organic sales decrease. Strength in electronics product lines offset by YOY weakness in polymer processing and industrial coatings systems, as well as select medical product lines.

## EBITDA\*

- EBITDA was \$217 million, up 7% on higher sales volume and improved SG&A leverage
- Strong EBITDA margin of 32% slightly above prior year

## 2Q 2025 Sales Bridge\*\*



	2Q 2024	2Q 2025		Δ
Sales	\$650.6	\$682.9	↑	5%
Operating Profit*	\$170.7	\$179.6	↑	5%
EBITDA*	\$203.4	\$217.2	↑	7%
EPS GAAP	\$2.05	\$1.97	↓	-4%
EPS Adjusted*	\$2.34	\$2.42	↑	3%

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

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

# Industrial Precision Solutions – 2Q 2025



## Sales

- Sales of \$319 million, a decrease of 8%
- While sequentially improving, YOY organic decreased 7%. Growth in nonwovens and precision agriculture product lines was offset by weaker systems demand in polymer processing and industrial coatings.

## EBITDA\*

- EBITDA was \$114 million, or 36% of sales, slightly below prior year
- EBITDA margin decline was driven by the decrease in sales volume

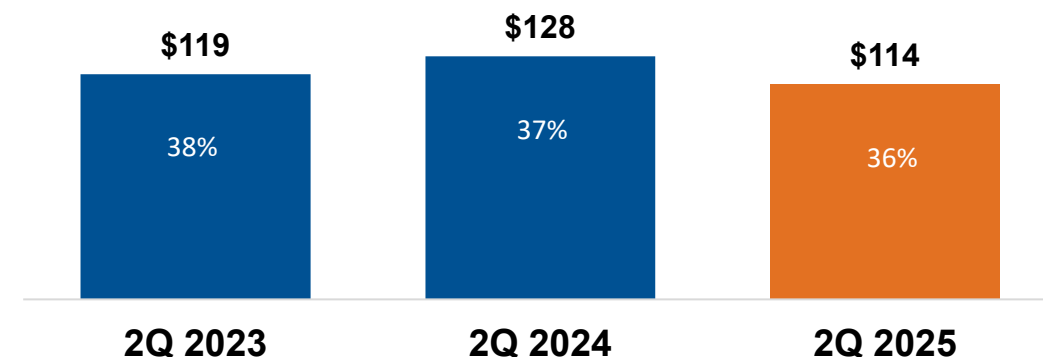
\*Non-GAAP numbers – See appendix for reconciliation.

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

## 2Q 2025 IPS Sales Bridge\*\*



## EBITDA and Margin



# Medical and Fluid Solutions – 2Q 2025



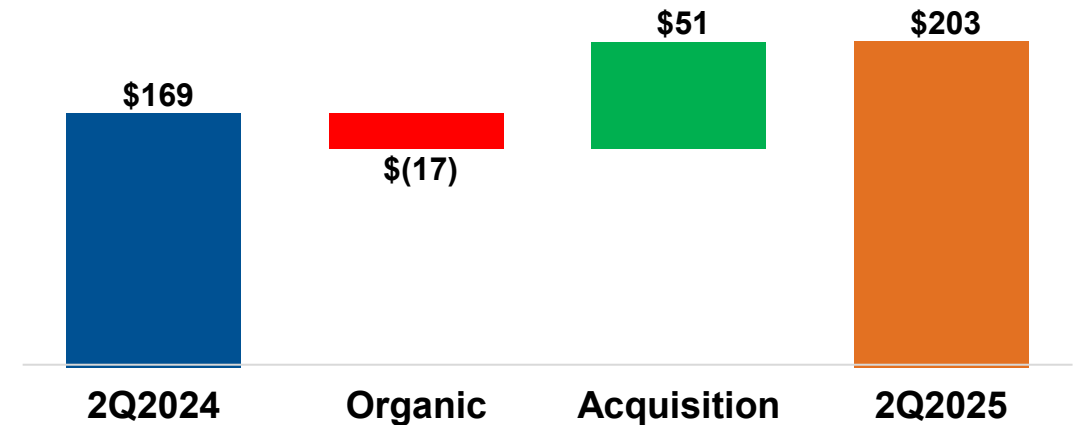
## Sales

- Sales of \$203 million, an increase of 20%. Organic sales were down 10%.
- 30% growth from Atrion acquisition, continuing to outperform expectations
- Excluding the pending divestiture, organic sales were down 4% driven by ongoing destocking in medical interventional solutions

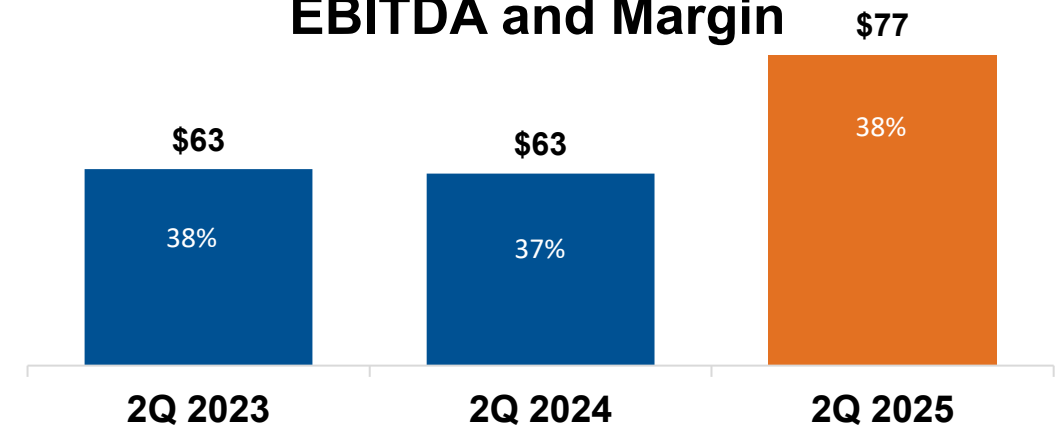
## EBITDA\*

- EBITDA was \$77 million, or 38% of sales, an increase of 22% compared to the prior year
- EBITDA margin improvement was driven by strong Atrion performance and solid execution of core business.

### 2Q 2025 MFS Sales Bridge\*\*



### EBITDA and Margin





# Advanced Technology Solutions – 2Q 2025



## Sales

- Sales were \$161 million, an 18% increase
- 18% organic increase driven by broad based demand, notably in electronics dispense, optical and x-ray inspection systems all growing double-digits over the prior year

## EBITDA\*

- EBITDA was at \$40 million, or 25% of sales, an increase of 43% compared to the prior year
- EBITDA margin almost 500 bps above prior year due to strong cost management and manufacturing improvements in addition to increased sales

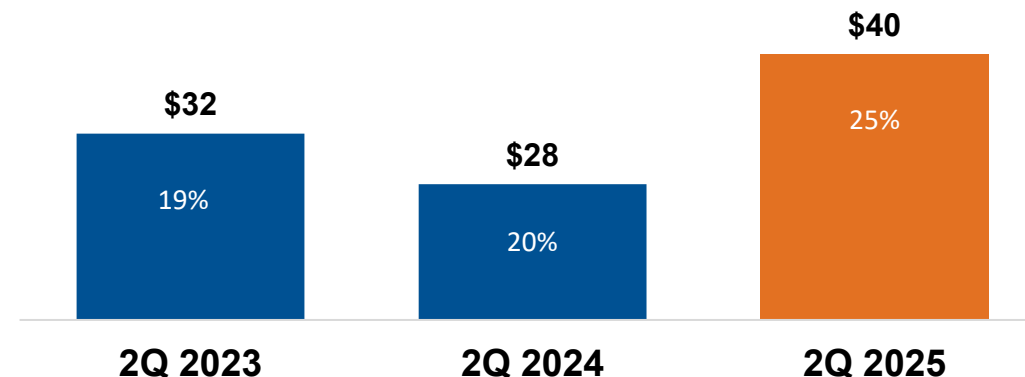
\*Non-GAAP numbers – See appendix for reconciliation.

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## 2Q 2025 ATS Sales Bridge\*\*



## EBITDA and Margin



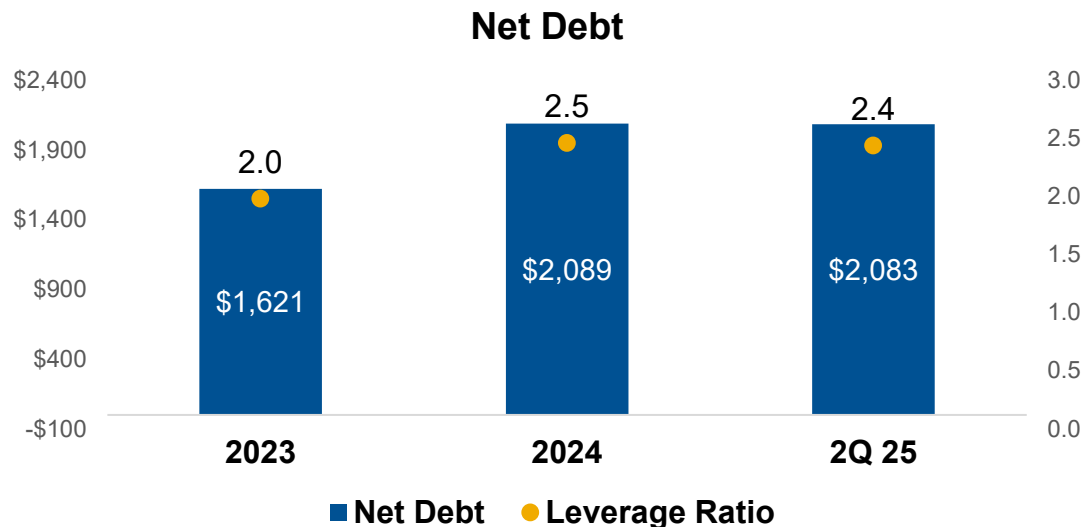
# Balance Sheet and Cash Flow



## Balanced Capital Deployment Returning Value to Shareholders

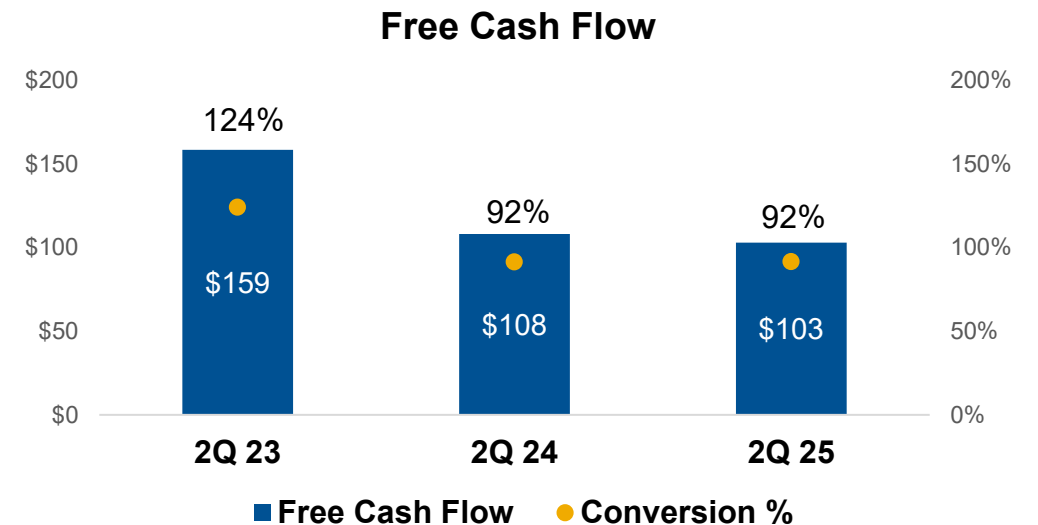
### Net Debt

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



### Free Cash Flow\*

- Cash flow of \$103 million, which is a conversion rate of 92% of net income, deployed toward:
  - Share repurchases of \$85M
  - Dividend payments of \$44M
  - Capital investments of \$16M



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

# Executing in an Uncertain Environment



## Close to the Customer Model

- In-region, for-region manufacturing strategy leads to growth with existing customers
- Orders continued to trend favorably, particularly within electronics, agriculture and certain medical product lines
- Backlog increased ~5% over Q1



## Operational Excellence

- Implemented selective pricing actions to offset certain tariffs
- Initiated targeted reductions in force resulting in mature year savings of \$15-\$20 million
- New facility in South Carolina (ICS) and capacity expansion in India (EPS) are fully operational to timely serve increased regional customer needs



## Capital Deployment

- In current environment, continued to favor share repurchases YTD \$141M
- Sustained investments in organic growth
- Target leverage remained within long term 2.0 to 2.5x range

# 3Q Fiscal 2025 Guidance

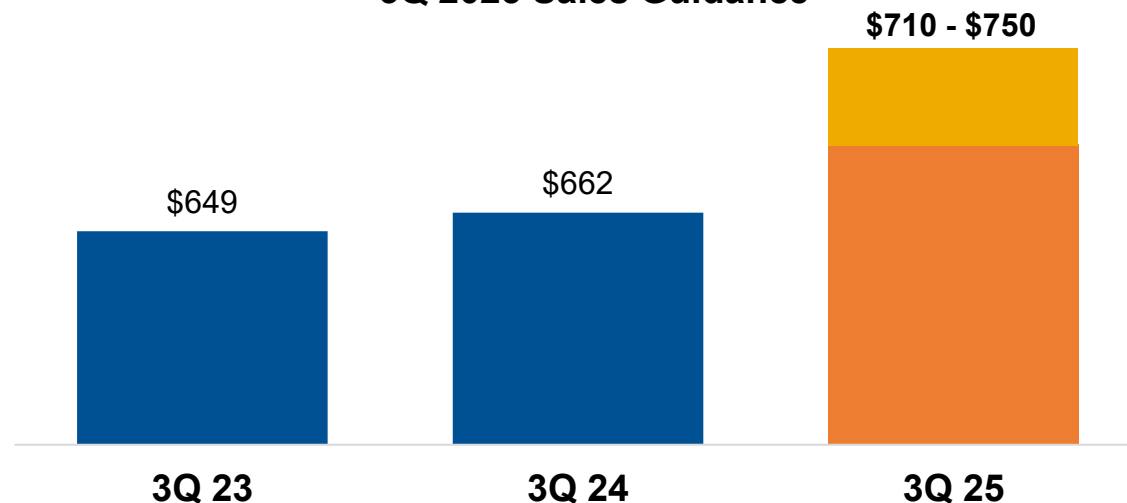


## Solid order entry moving into 3Q

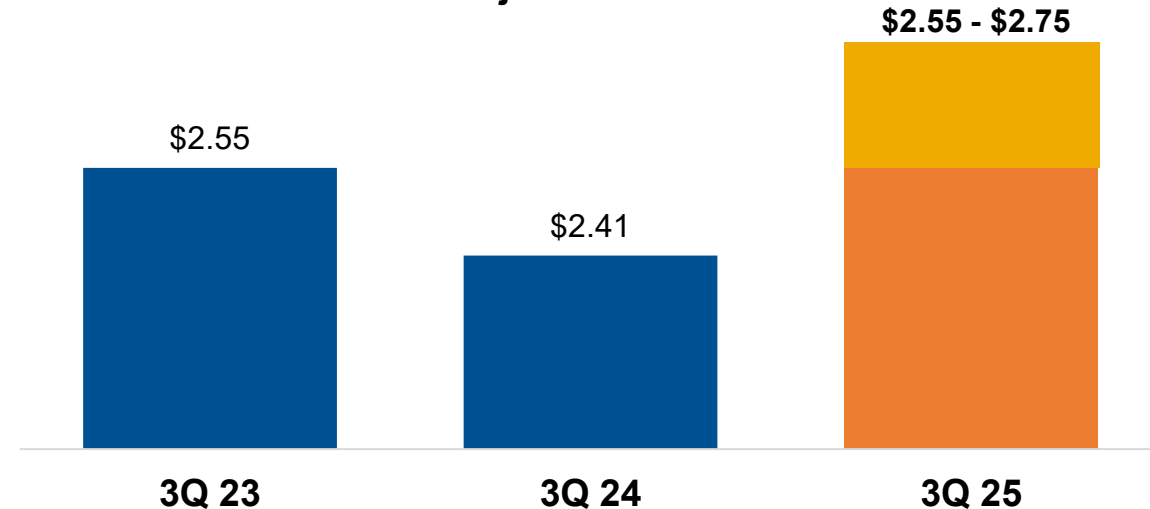
- Historical seasonality and current order entry trends support sequential and year-over-year increase in sales and earnings
- Order entry remained strong during the quarter across all segments
- Backlog grew by ~5% from the prior quarter

**3Q in line with full-year 2025 guidance expectations**

### 3Q 2025 Sales Guidance



### 3Q 2025 Adjusted EPS Guidance



# Competitive Advantages



Strong Growth  
Portfolio

High Recurring  
Revenue

Diversified, Niche End  
Markets

Close to Customer

Differentiated  
Products

NBS Next Growth  
Framework

**Continuously demonstrated resilience and  
the ability to deliver best-in-class profitability  
in varying market scenarios**

# 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		Six Months Ended	
	April 30, 2025	April 30, 2024	April 30, 2025	April 30, 2024
Net income	\$ 112,404	\$ 118,217	\$ 207,056	\$ 227,789
Income taxes	26,366	31,059	48,569	60,186
Interest expense - net	26,019	18,555	51,637	38,953
Other (income) expense - net	3,961	785	2,435	1,123
Depreciation and amortization	37,578	32,720	74,608	66,264
Inventory step-up amortization <sup>(1)</sup>	—	—	3,135	2,944
Severance and other <sup>(1)</sup>	10,313	2,078	16,274	2,078
Acquisition-related costs <sup>(1)</sup>	513	—	1,543	597
EBITDA (non-GAAP) <sup>(2)</sup>	\$ 217,154	\$ 203,414	\$ 405,257	\$ 399,934

<sup>(1)</sup> Represents cost reduction actions 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 cost reduction actions, 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				Six Months Ended							
	April 30, 2025		April 30, 2024		April 30, 2025		April 30, 2024					
<b>SALES BY SEGMENT</b>												
Industrial Precision Solutions	\$	318,847	\$	344,978	\$	619,295	\$	682,720				
Medical and Fluid Solutions		202,809		168,966		396,418		328,492				
Advanced Technology Solutions		161,282		136,698		282,645		272,623				
Total sales	\$	<u>682,938</u>	\$	<u>650,642</u>	\$	<u>1,298,358</u>	\$	<u>1,283,835</u>				
<b>OPERATING PROFIT</b>												
Industrial Precision Solutions	\$	95,722	\$	115,922	\$	191,434	\$	225,020				
Medical and Fluid Solutions		56,805		48,993		97,741		95,093				
Advanced Technology Solutions		31,558		20,693		49,681		38,997				
Corporate		(15,335)		(16,992)		(29,159)		(31,059)				
Total operating profit	\$	<u>168,750</u>	\$	<u>168,616</u>	\$	<u>309,697</u>	\$	<u>328,051</u>				
<b>OPERATING PROFIT ADJUSTMENTS <sup>(1)</sup></b>												
Industrial Precision Solutions	\$	5,212	\$	—	\$	9,823	\$	3,541				
Medical and Fluid Solutions		1,366		—		6,621		—				
Advanced Technology Solutions		3,288		2,078		3,288		2,078				
Corporate		960		—		1,220		—				
Total adjustments	\$	<u>10,826</u>	\$	<u>2,078</u>	\$	<u>20,952</u>	\$	<u>5,619</u>				
<b>DEPRECIATION &amp; AMORTIZATION</b>												
Industrial Precision Solutions	\$	12,614	\$	12,437	\$	25,067	\$	25,357				
Medical and Fluid Solutions		18,367		13,564		36,508		27,269				
Advanced Technology Solutions		4,670		4,767		9,318		9,668				
Corporate		1,927		1,952		3,715		3,970				
Total depreciation & amortization	\$	<u>37,578</u>	\$	<u>32,720</u>	\$	<u>74,608</u>	\$	<u>66,264</u>				
<b>EBITDA (NON-GAAP) <sup>(2)</sup></b>												
Industrial Precision Solutions	\$	113,548	36%	\$	128,359	37%	\$	226,324	37%	\$	253,918	37%
Medical and Fluid Solutions		76,538	38%		62,557	37%		140,870	36%		122,362	37%
Advanced Technology Solutions		39,516	25%		27,538	20%		62,287	22%		50,743	19%
Corporate		(12,448)			(15,040)			(24,224)			(27,089)	
Total EBITDA	\$	<u>217,154</u>	32%	\$	<u>203,414</u>	31%	\$	<u>405,257</u>	31%	\$	<u>399,934</u>	31%

<sup>(1)</sup> Represents cost reduction actions 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 cost reduction actions, 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		Six Months Ended	
	April 30, 2025	April 30, 2024	April 30, 2025	April 30, 2024
<b><u>GAAPAS REPORTED</u></b>				
Operating profit	\$ 168,750	\$ 168,616	\$ 309,697	\$ 328,051
Other / interest expense - net	(29,980)	(19,340)	(54,072)	(40,076)
Net income	112,404	118,217	207,056	227,789
Diluted earnings per share	\$ 1.97	\$ 2.05	\$ 3.62	\$ 3.95
Shares outstanding - diluted	57,038	57,681	57,265	57,617
<b><u>OPERATING PROFIT ADJUSTMENTS</u></b>				
Inventory step-up amortization	\$ —	\$ —	\$ 3,135	\$ 2,944
Acquisition costs	513	—	1,543	597
Severance and other	10,313	2,078	16,274	2,078
<b><u>ACQUISITION AMORTIZATION OF INTANGIBLES</u></b>	\$ 19,696	\$ 18,823	39,007	38,210
<b><u>NON-OPERATING EXPENSE ADJUSTMENTS</u></b>				
Entity liquidation	\$ 988	\$ —	\$ 988	\$ —
Total adjustments	\$ 31,510	\$ 20,901	\$ 60,947	\$ 43,829
Adjustments net of tax	\$ 25,523	\$ 16,556	\$ 49,367	\$ 34,669
Other discrete tax items	\$ —	\$ —	\$ —	\$ —
EPS effect of adjustments and other discrete tax items	\$ 0.45	\$ 0.29	\$ 0.86	\$ 0.60
<b><u>NON-GAAP MEASURES-ADJUSTED OPERATING PROFIT, NET INCOME AND ADJUSTED EARNINGS PER SHARE</u></b>				
Operating profit <sup>(1)</sup>	\$ 179,576	\$ 170,694	\$ 330,649	\$ 333,670
Operating profit % of sales	26.3 %	26.2 %	25.5 %	26.0 %
Net income <sup>(1)</sup>	\$ 137,927	\$ 134,773	\$ 256,423	\$ 262,458
Diluted earnings per share <sup>(2)</sup>	\$ 2.42	\$ 2.34	\$ 4.48	\$ 4.55

<sup>(1)</sup> Adjusted net income is a non-GAAP measure defined as net income plus tax effected adjustments and other discrete tax items. Refer to the "Reconciliation of Non-GAAP measures - EBITDA" table for definition of adjustments to operating income.

<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	
	April 30, 2025	January 31, 2025
Net cash provided by operating activities	278,292	\$ 159,122
Additions to property, plant and equipment	(37,439)	(21,399)
Free Cash Flow - Year to Date <sup>(1)</sup>	240,853	137,723
Net Income - Year to Date	\$ 207,056	\$ 94,652
Free Cash Flow Conversion <sup>(2)</sup>	116 %	146 %

	Year to Date	
	April 30, 2024	January 31, 2024
Net cash provided by operating activities	\$ 294,964	\$ 172,356
Additions to property, plant and equipment	(21,907)	(7,530)
Free Cash Flow - Year to Date <sup>(1)</sup>	273,057	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.