

Nordson Corporation

Precision Technology Solutions

Dispensing - Test & Inspection - Surface Preparation



NASDAQ: NDSN

February 22, 2011 | First Quarter Fiscal 2011 Investor Presentation



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

Information in this presentation may contain “forward-looking statements,” as defined by this Reform Act. These statements are identified by words or phrases such as “are expected to,” “will likely result,” “is anticipated,” “estimates,” “will continue,” “outlook,” “project,” or similar expressions.

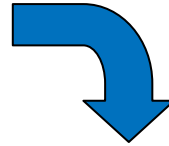
These forward looking statements are based on current expectations and involve risks and uncertainties. Consequently, Nordson Corporation’s actual results could differ materially from the expectations expressed in the forward-looking statements. Factors that could cause the Company’s actual results to differ materially from the expected results include, but are not limited to: fluctuations in currency exchange rates; a sales mix different from assumptions; deferral of orders; customer-requested delays in system installations; and unanticipated delays.

DISCONTINUED OPERATIONS

All numbers for years prior to FY 2006 in this presentation include results from discontinued operations unless otherwise noted.

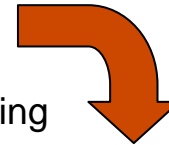
Sustainable Business Model

- Real technology differentiation
- Unparalleled application know how
- Global direct sales & service
- Parts & consumables annuity
- Globally recognized brand



Applied to Diverse Markets

- 30+ countries, established and emerging
- Technology, consumer non-durables, consumer durables
- Emerging applications



Delivers Exceptional Results

- 13% top line growth over 50 years
- 47 years of dividend increases
- Continually improving margins and returns
- Strong cash flow for continued investment
- Top quartile total shareholder return

Nordson Investment Summary

Nordson: Focused on Precision Technology Solutions

Core Technology

Material Dispensing



Dispensing - Coating - Sealing
Finishing – Spraying – Painting - Underfilling

How Nordson Adds Value

Increase speed, productivity, uptime, profitability
Enable new products and features
Decrease material use

*Adjacent
technology*

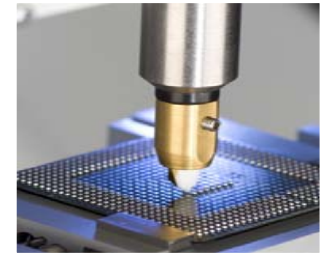
Surface Treatment
& Preparation



UV Curing
Plasma Cleaning

*Adjacent
technology*

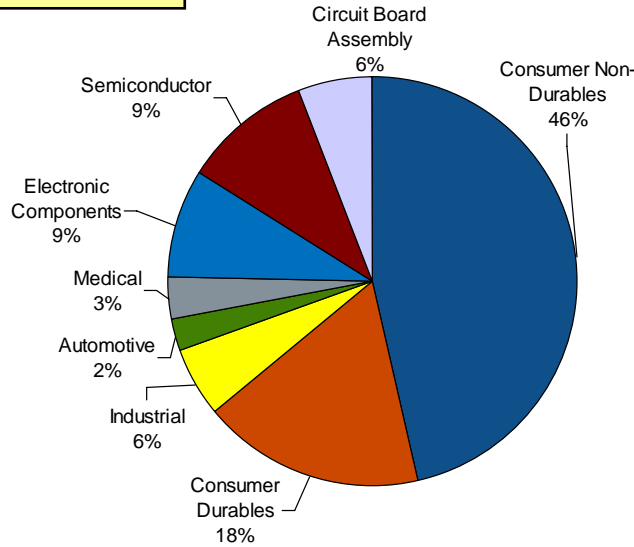
Testing &
Inspection



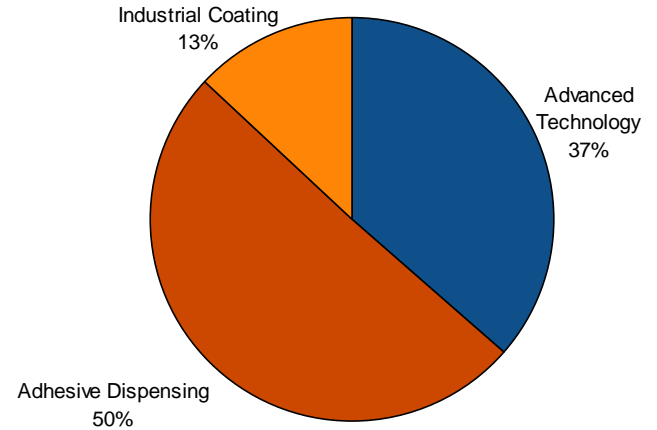
High Resolution X-Ray
Automated Optical
Physical Bond Test

Sales Distribution – FY2010

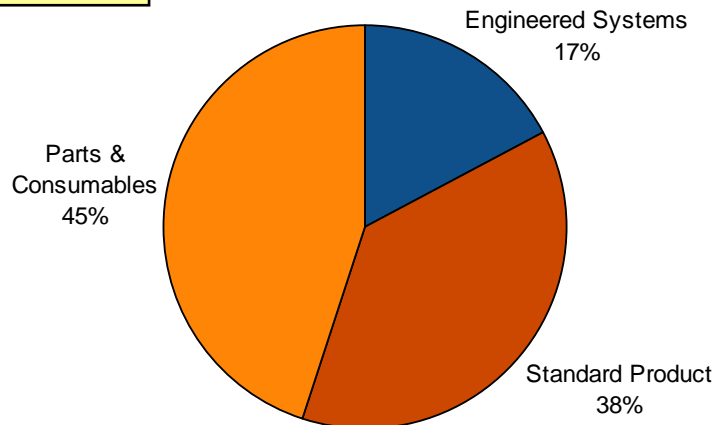
MARKETS SERVED



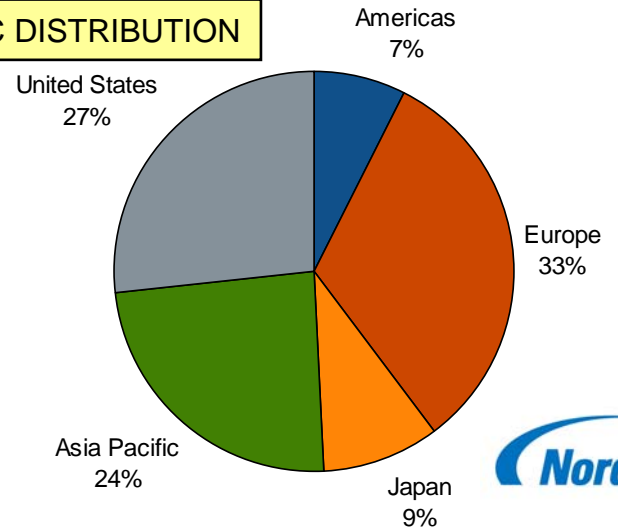
OPERATING SEGMENTS



PRODUCT TYPE

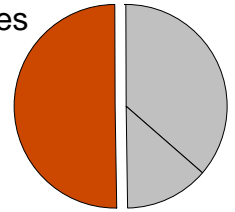


GEOGRAPHIC DISTRIBUTION



Adhesive Dispensing Systems

50% of FY10 sales



Twelve Months Ending 1/31/2011:

Sales: \$545m Operating Margin: 33%

- Dispense and apply adhesives and other materials to a wide variety of products during manufacturing processes

Applications

- Carton and case sealing
- Diaper assembly
- Window and door assembly
- Bookbinding
- Furniture assembly
- Labeling
- Mobile phone assembly
- Solar panel assembly

End markets

- Food and beverage packaging
- Nonwovens / tissue and disposable hygiene products
- Furniture and building products
- Paper converting
- Macro electronics
- General industrial assembly

Drivers of growth

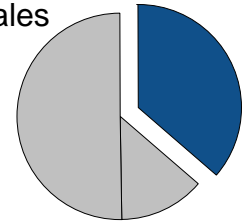
- Income growth in Asia, Latin America, East Europe
- Increased use of disposable hygiene products
- Increased use of processed and convenience foods
- Productivity investments
- Material, machinery and process innovations



Typical dispensing unit and replacement parts

Advanced Technology Systems

37% of FY10 sales



Twelve Months Ending 1/31/2011:
Sales \$391m Operating Margin 24%

- High precision dispensing, test, inspection and surface treatment technologies for electronics and other high tech markets.

Applications

- Semiconductor packaging
- Printed circuit board assembly & coating
- Bond testing, X-ray & optical inspection for semiconductors & printed circuit boards
- LED/LCD assembly & packaging
- Medical device assembly and testing
- Medical procedure biomaterial dispensing
- UV curing of coatings

End markets

- Semiconductors
- Electronic assembly systems
- Life sciences
- General industrial assembly
- Solar
- Aerospace
- LED

Drivers of growth:

- Mobile computing trend
- Device convergence, migration to flip chips
- Circuit shrinkage in devices driving new architectures
- Emerging consumers for products in BRIC countries
- Growth in medical devices driven by aging population
- Alternative energy high volume manufacturing

Includes industry leading brands:

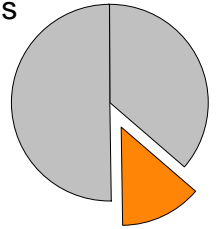
Nordson ASYMTEK, Nordson DAGE, Nordson EFD
Nordson MARCH, Nordson MICROMEDICS, Nordson YESTECH



*Typical dispensing system
and consumables*

Industrial Coating Systems

13% of FY10 sales



Twelve Months Ending 1/31/2011:

Sales \$155m Operating margin 11%

- Equipment and systems to apply paints, sealants, coatings and other materials to a wide range of products

End markets:

- Appliance
- Office furniture
- Outdoor products
- Automobile assembly
- Food & beverage containers
- Disposable batteries

Applications:

- Powder finishing
- Liquid finishing
- Metal container inside coating
- Battery inside coating
- Automobile sealing & bonding

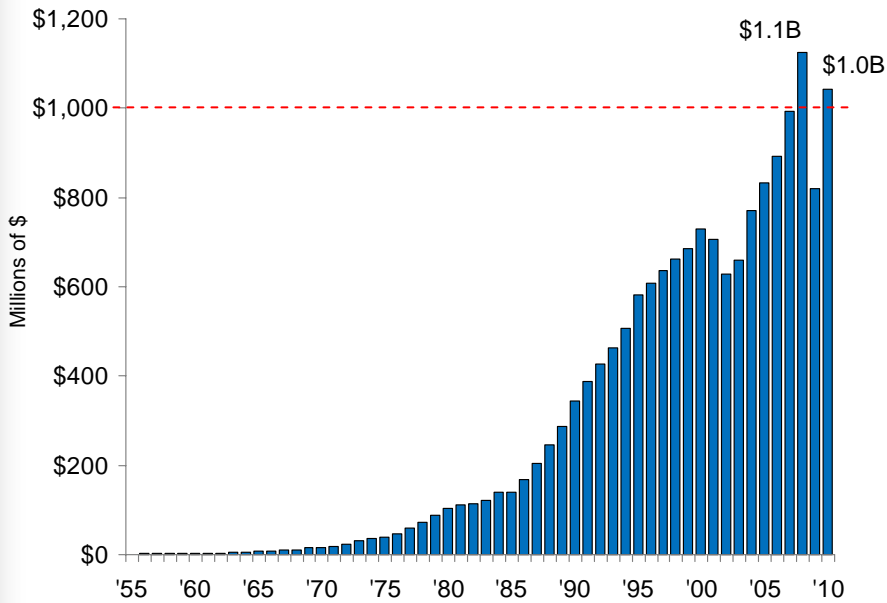
Typical products, systems and replacement parts

Drivers of growth:

- Environmental advantages of powder coatings
- Productivity investments
- Lean manufacturing
- Quick color change
- Growth in emerging markets



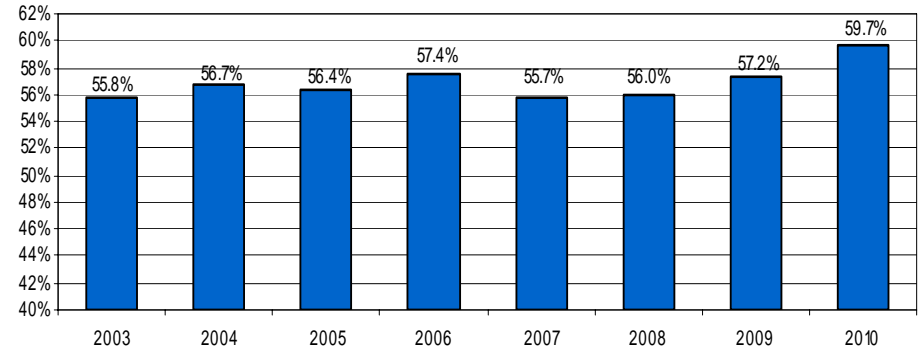
Consistent Sales Growth



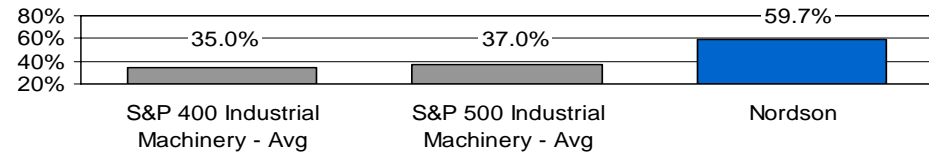
CAGR: 14%
1955 – 2010

Industry Leading Gross Margins

Nordson Gross Margin – FY2003-FY2010

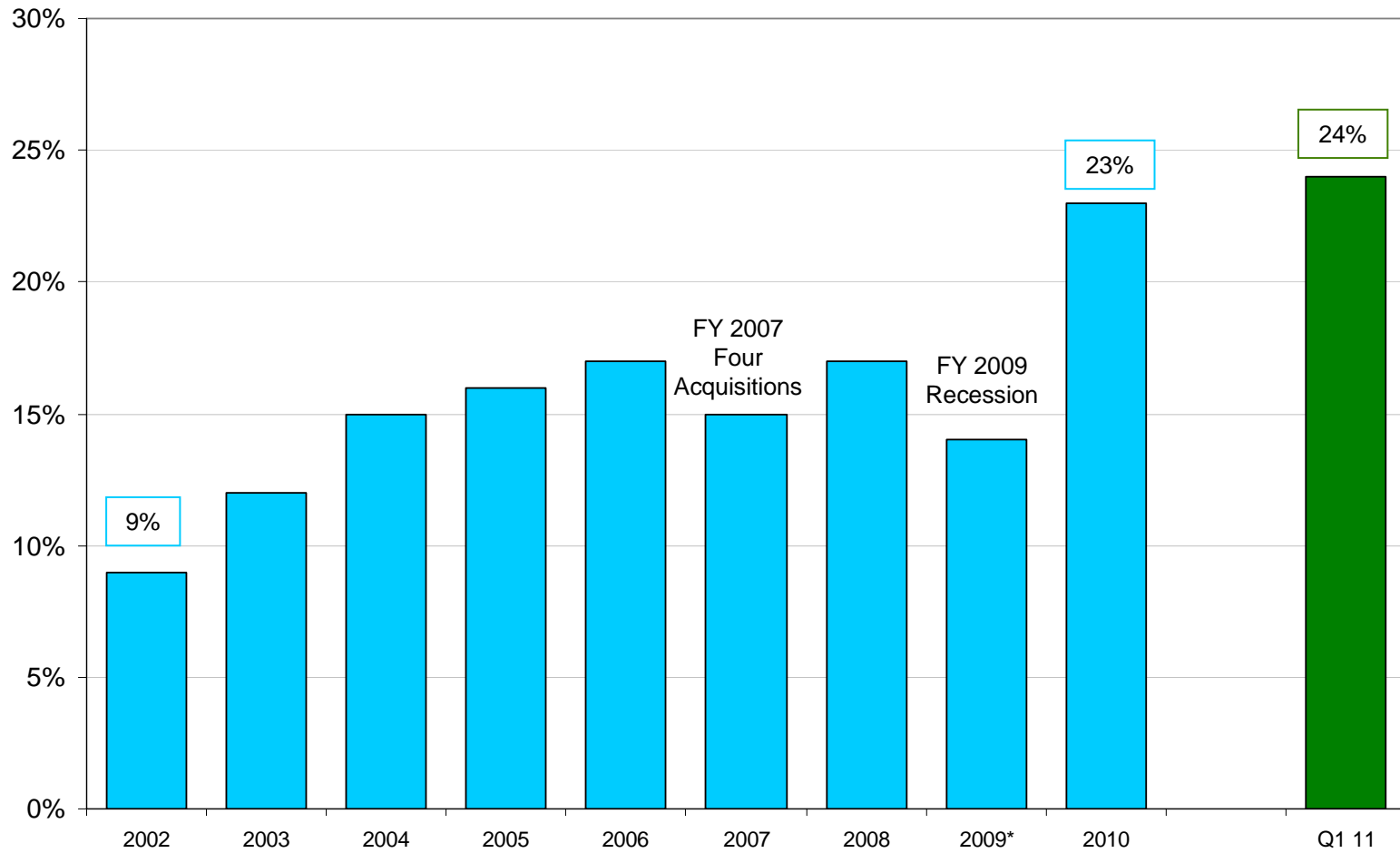


Long term stability of high gross margin



Nordson outperforms industry indices

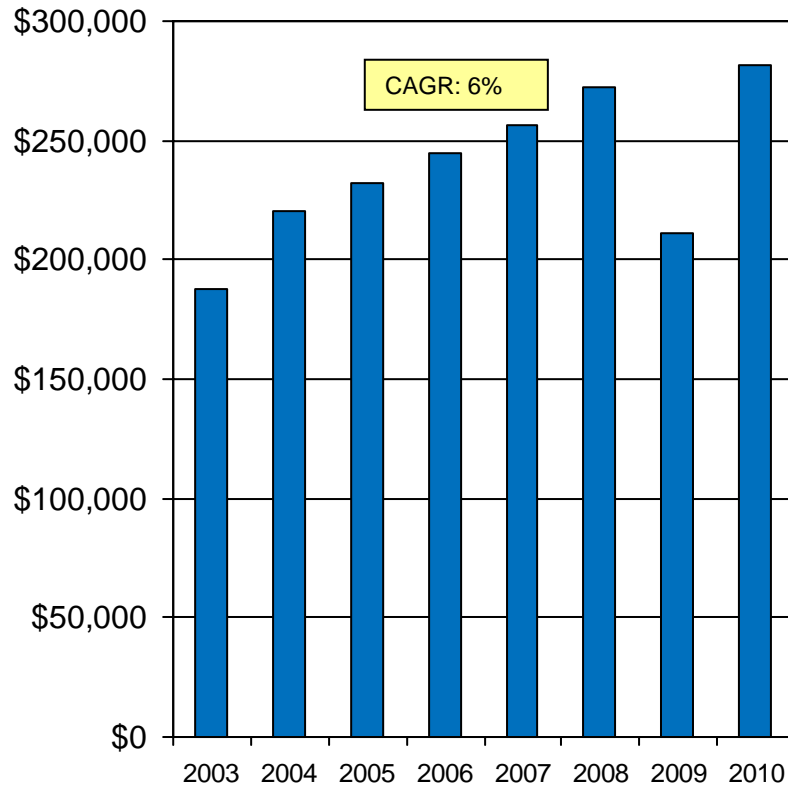
Operating Margin 2002 - Q1 2011



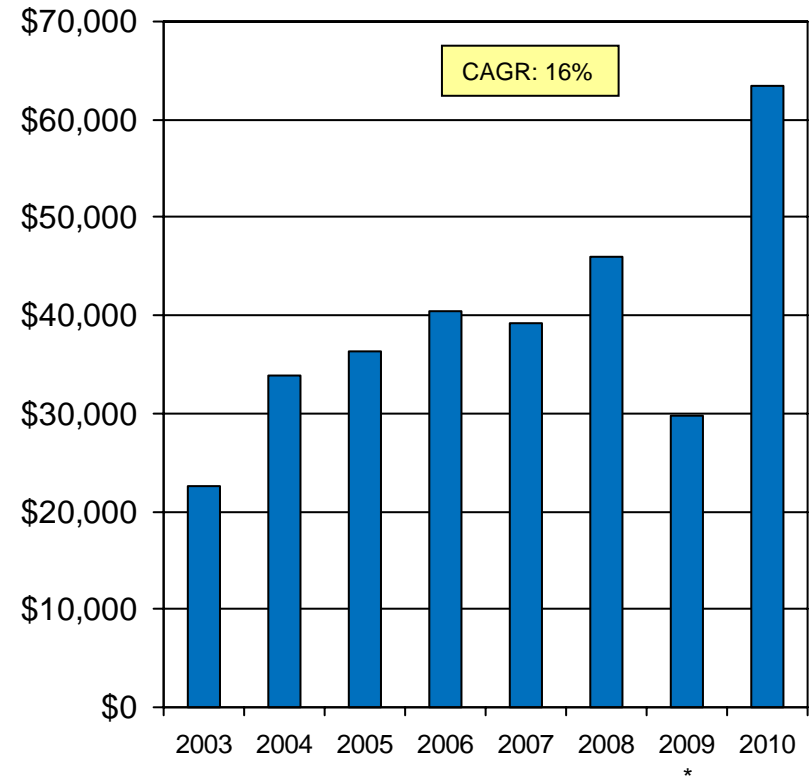
*FY09 excludes non-cash charges for impairment of goodwill and other long-lived assets.

Lean Metrics

Sales Per Employee
2003-2010



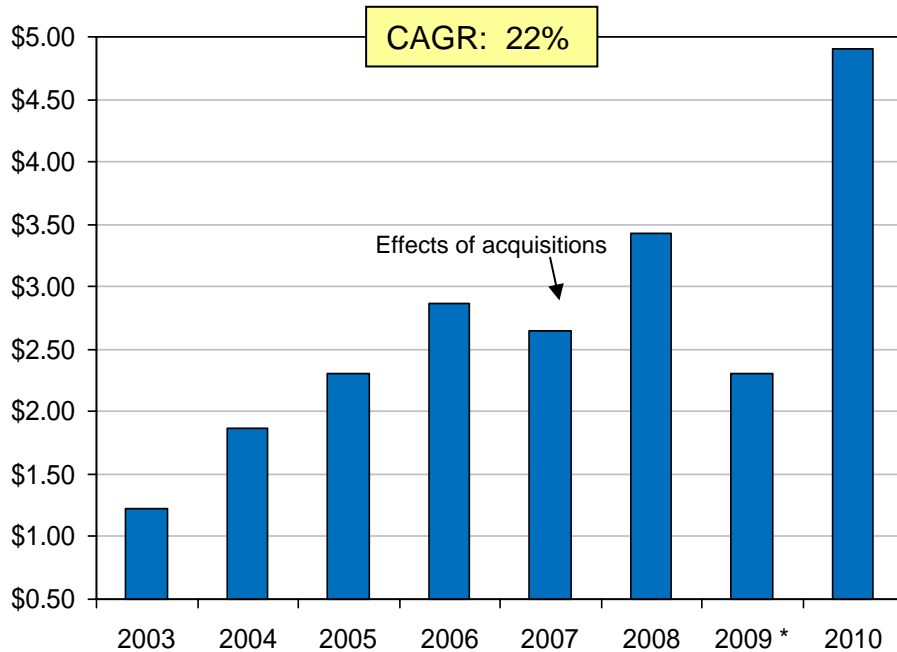
Operating Profit Per Employee
2003-2010



Note: Based on average headcount per year

*FY09 Op Profit excludes non-cash charges for impairment of goodwill and other long-lived assets.

Diluted Earnings Per Share 2003 -2010



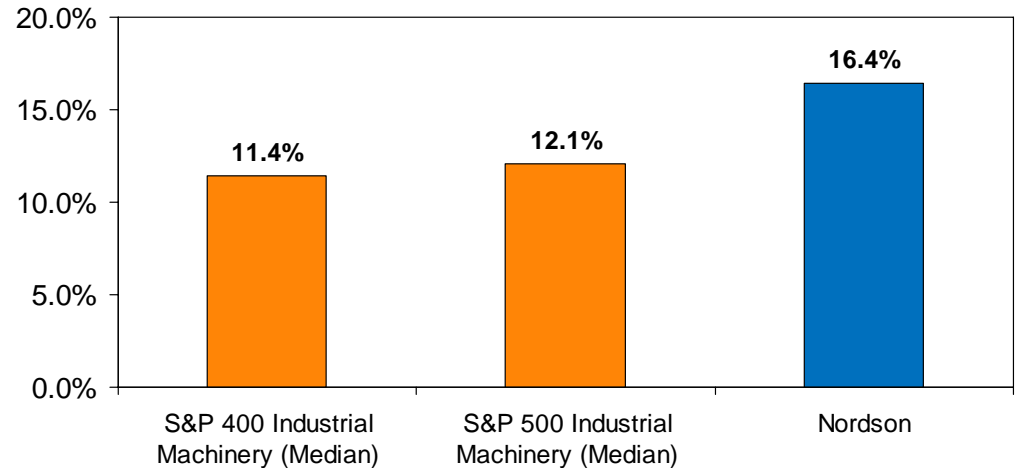
2Q FY 2011 Guidance

- Volume growth 20% to 24%
- Currency +2%
- Sales growth 22% to 26%
- Sales dollars \$308 - \$318m
- Earnings per share \$1.70 to \$1.82
(vs. \$0.94 in 2Q 2010)

Nordson Outperforms Its Peer Group

ROIC – 5 Year Average
(2006 through 2010)

Source: Bloomberg excluding impairment charges



Nordson Total Shareholder Return ranks in top quartile

	S&P 500 Industrial Mach		S&P 400 Industrial Mach	
	3 year TSR	5 year TSR	3 year TSR	5 year TSR
Nordson	18.67	18.05	18.67	18.05
Nordson Rank	Quartile 1	Quartile 1	Quartile 1	Quartile 1
Quartile				
1	7.52	12.68	7.33	12.01
2	6.38	10.74	3.59	9.38
3	1.02	9.35	(1.21)	5.35
4	(4.42)	2.73	(23.05)	(3.65)

Disciplined Use of Cash

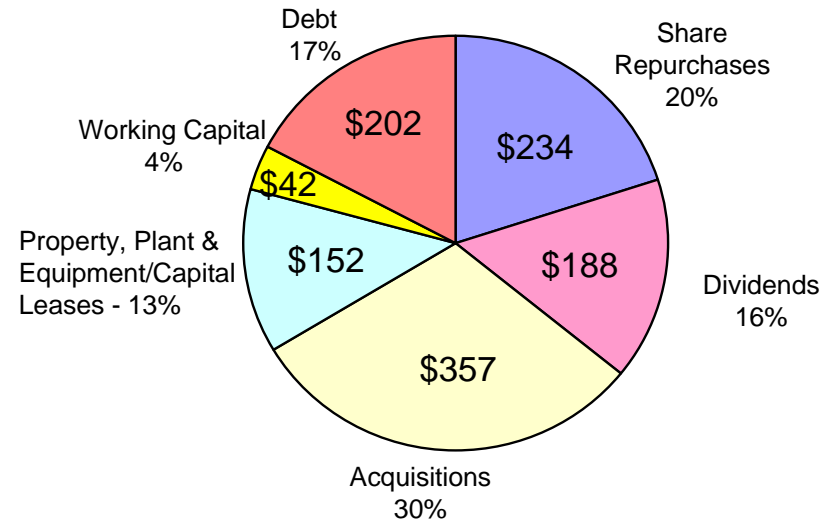
Cash Flow

- Self funding business model generates excess cash
- Low Working Capital Requirements
- Low Capital Expenditures (approx. 1.5% of sales)
- Strong free cash

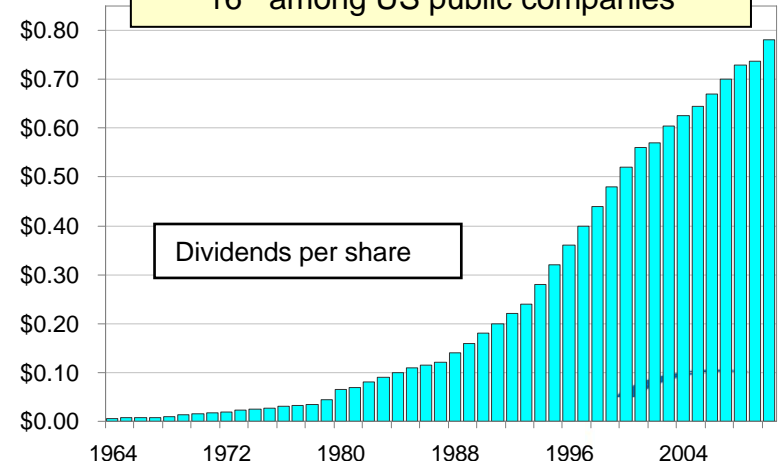
Cash Deployment

- Organic growth
 - Product/Application development
 - Channel expansion
 - Emerging markets
- Acquisitions
- Dividends/share repurchase

Uses of Cash – 2003 to 2010

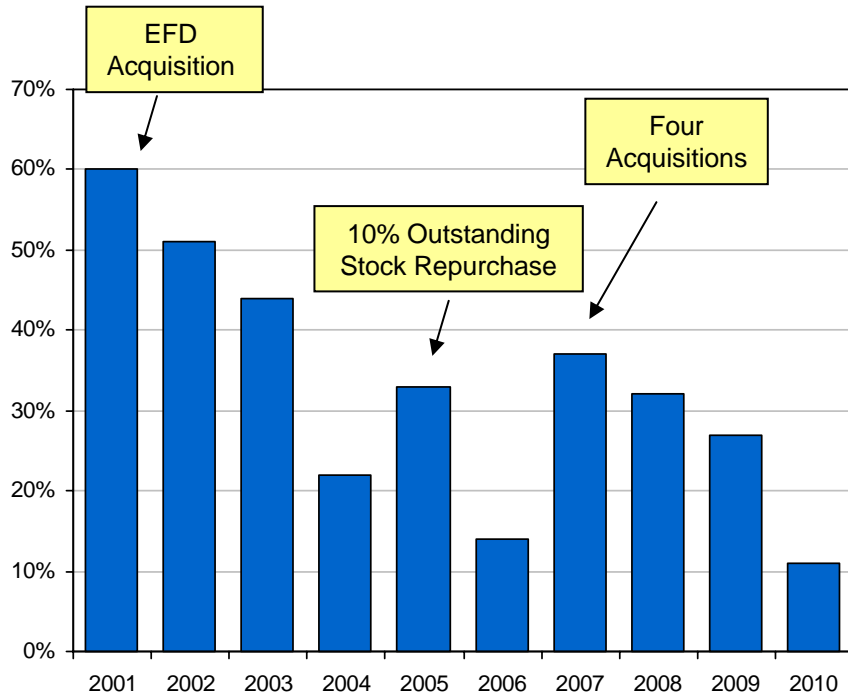


Dividend increased 47 consecutive years
16th among US public companies



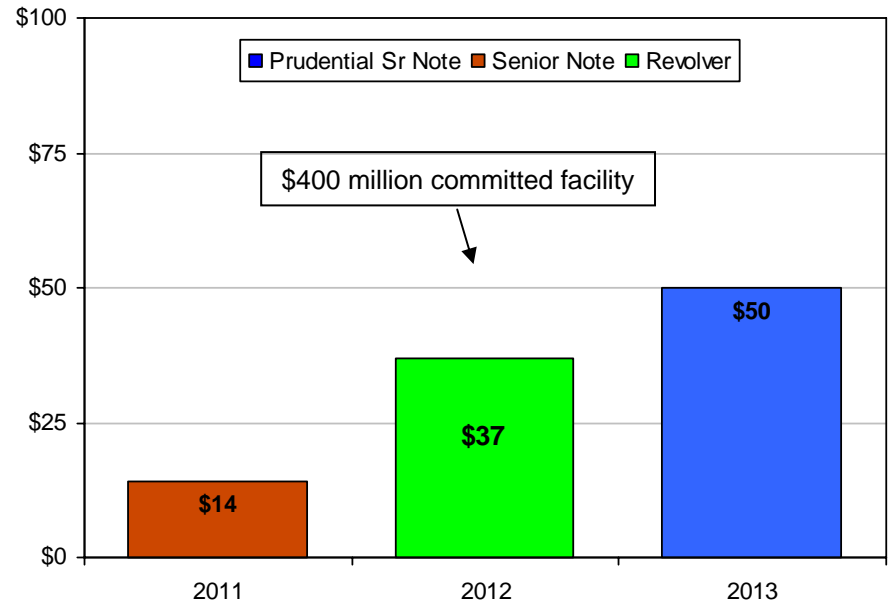
Capital Management

NET DEBT TO CAPITAL



Net Debt to Capital calculated net of cash

DEBT MATURITY



Revolver drawn as of January 31, 2011

2011 Priorities

Growth

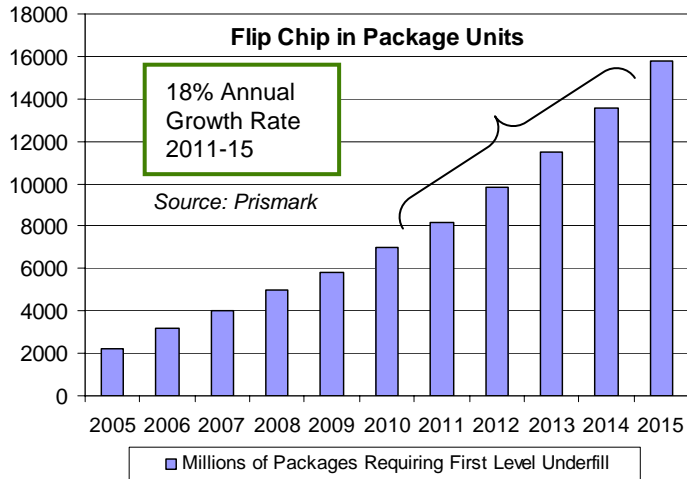
- Expand capability in emerging markets
- Expand emerging applications (LED, solar, life sciences)
- Accelerate and extend innovation/differentiation
- Continue to develop more robust M&A pipeline

Performance

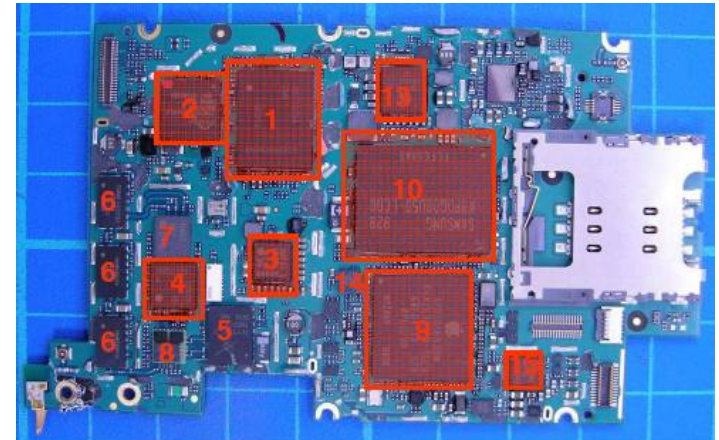
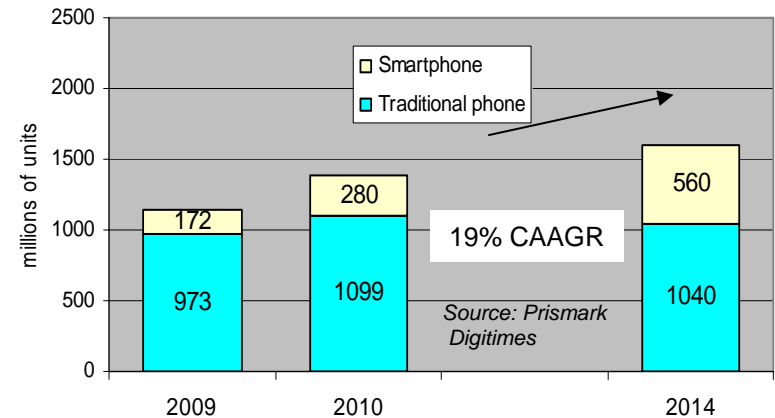
- Maintain structural improvements
- Augment with next phase of continuous improvement
- Improve performance over cycle - reduce cyclicity
- Enhanced acquisition process
- Improve talent management program

Growth: Migration to “flip chips” & device convergence

Nordson is the market leader
In Flip Chip Underfill



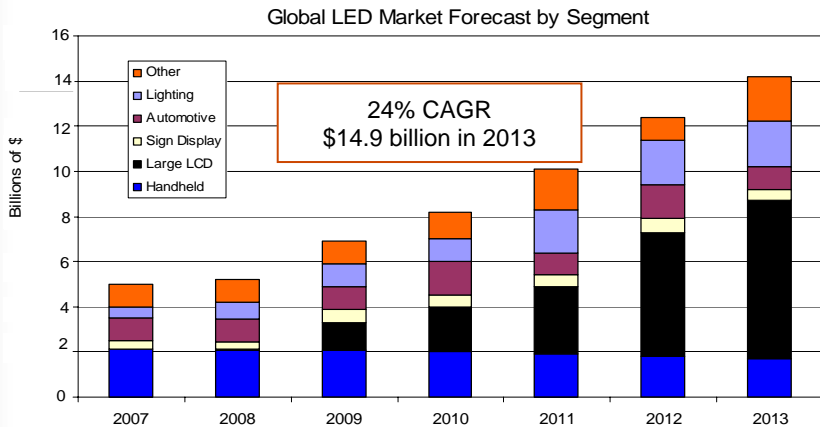
Smart phones will drive
mobile phone opportunities



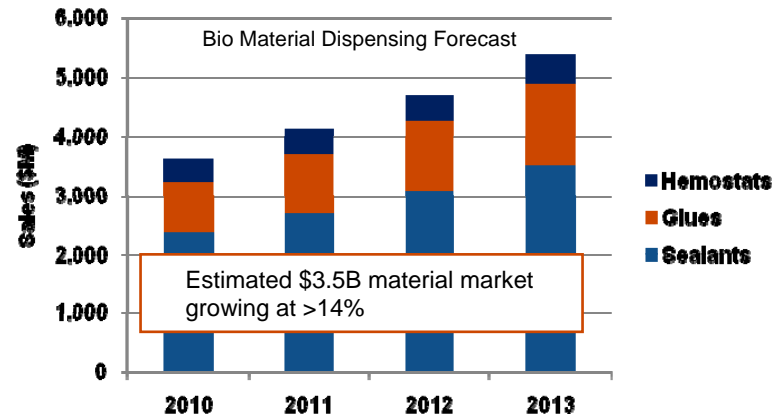
Red areas indicate Nordson underfill opportunities on typical smart phone

Growth: New Applications

LED Manufacturing



Life Sciences



Nordson Applications

- Encapsulation Clear
- Encapsulation Phosphor Filled
- Plate Attachment Underfill
- Die Coat
- Phosphor Coat

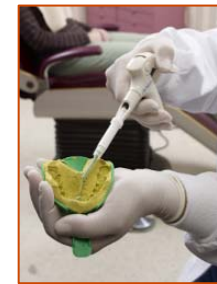


Nordson Applications

- Hearing Aids, Pacemakers
- Catheters, Stents
- Dental
- Glucose Test Strips
- Biomaterial Dispense



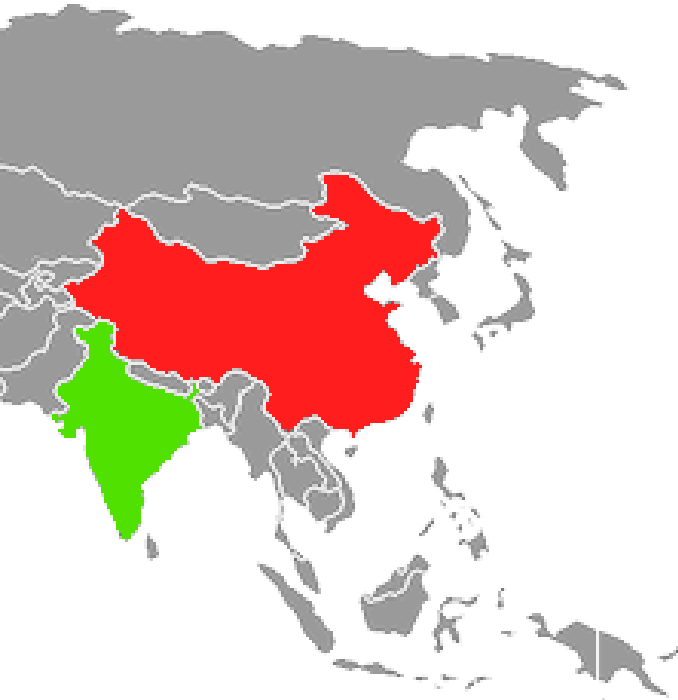
Acquisition
Announced October 5



Source: Strategies Unlimited (Mountain View, CA) High-Brightness LED Market Review and Forecast—Sept 2009 Source: Displaybank, LED Lighting Industry Growth Perspective - May 2009

Source: MedMarket Diligence Market Research

Growth: Emerging Regions - Consumer Non-Durables Examples



China - Baby Diaper Market

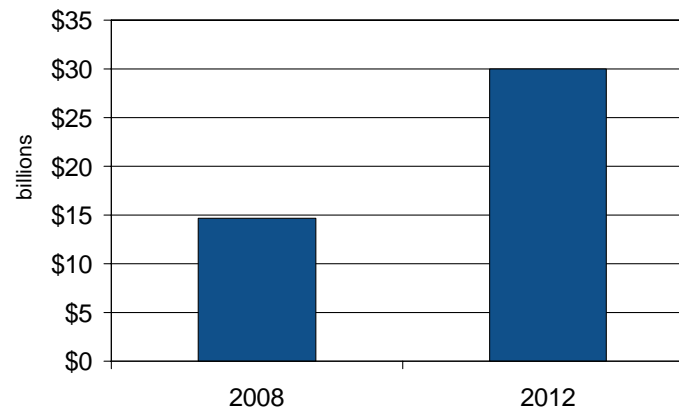
	Babies Under Age 2 (Millions)	Consumption (100 million pcs)	Annual Average Growth Rate	Market Penetration Rate
2007	41	77.5	44.6	17.6
2008	41.3	95.7	23.5	21.1
2010	42.5	137.8	20	29.6
2020	45.2	297.5	8	60.1

China – Feminine Hygiene Market

	Women Age 15-49 (Millions)	Consumption (100 million pcs)	Annual Average Growth Rate	Market Penetration Rate
2007	364.8	443	6.8	67.5
2008	366.6	480	8.4	72.7
2010	371.4	534	5.5	79.8
2020	398.3	720	3	99.9

Source: China National Household Paper Industry Association

India – Fast Moving Consumer Goods*



*Fast moving consumer goods defined as consumer packaged goods. Category includes soaps, detergents, shampoos, toothpaste, shaving products, packaged foodstuffs, household accessories and certain electronic goods.

Growth Drivers: Powder Coating

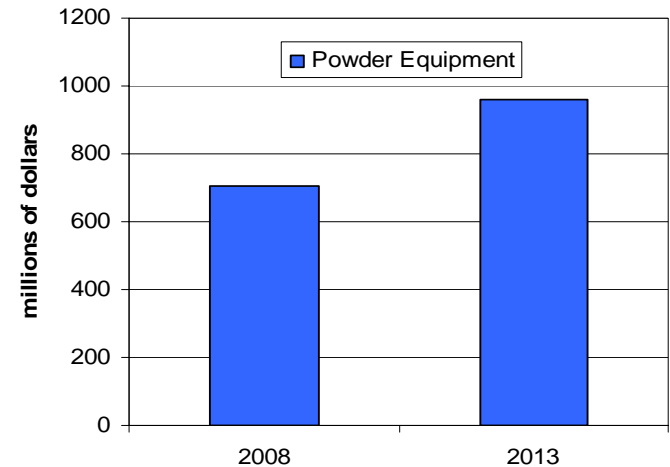
Growth in Standard of Living in Emerging Markets
Demand for durable goods
Productivity & Profitability
Color change time improvement Line speed increase & up time Material savings Quality of finish Customization
Environmental Concerns
Emission reduction - no solvents Ability to recycle unused powder



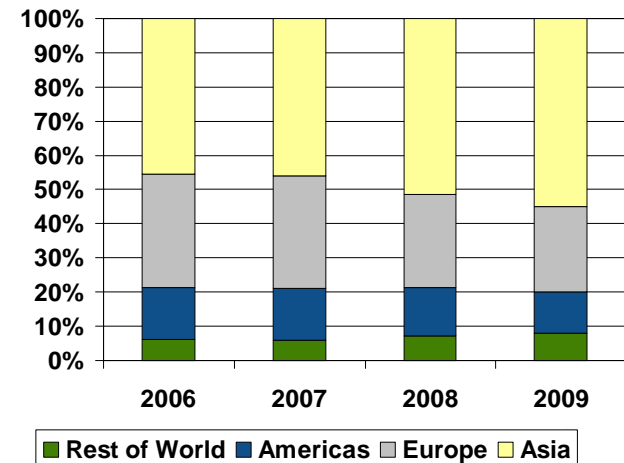
Total Powder Coating market is growing...

...with Asia becoming the largest market

Global Powder Equipment Market

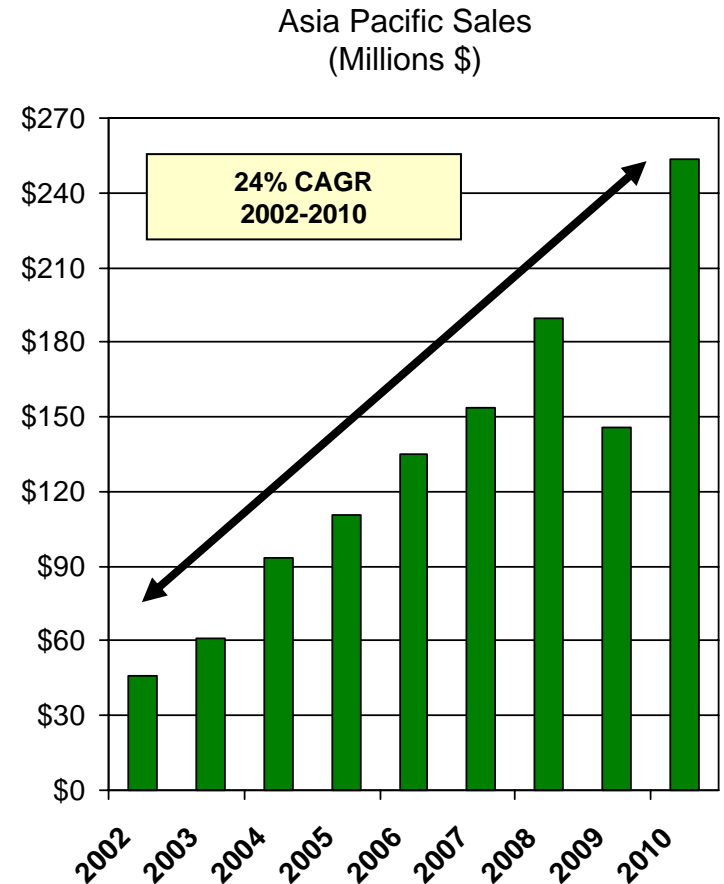


Global Share of Powder Coating Manufacturing



Growth: Asia Pacific Sales 2002 to 2010

- Company's 41th year of operation in Asia
- Direct in China for 15 years
- Percent of total revenue:
 - 2002: 7%
 - 2010: 24%



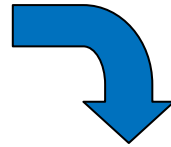
Building on Excellence - 3 to 5 Year Goals

- Maintain organic growth at mid-to-high single digits
- Acquisitions bring core growth to double digits
- Improve operating margins by two percentage points on current portfolio
- Maintain ROIC well above the cost of capital
- Continue to drive lean/six sigma to the bottom line

Continue to deliver top quartile performance
for our shareholders

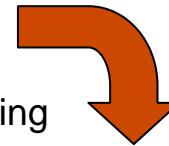
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Nordson Investment Summary

Appendix: GAAP Reconciliation

FOURTH QUARTER PERIOD
Period Ending October 31, 2010
(Unaudited)

NORDSON CORPORATION
SUPPLEMENTAL FINANCIAL INFORMATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(Dollars in thousands except for per-share amounts)

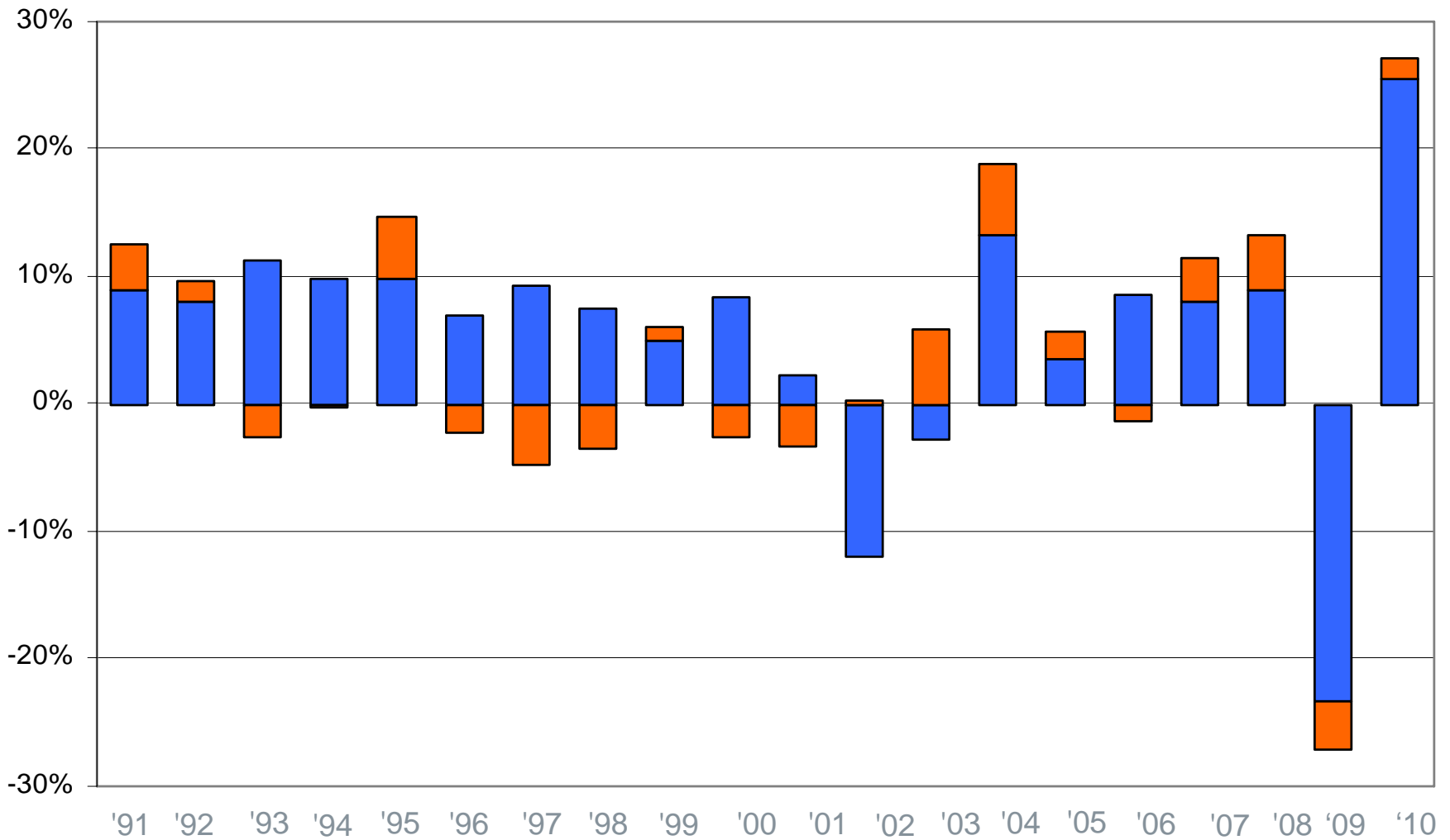
Adjusted EPS, net income and operating profit are not measurements of financial performance under GAAP, and such measures should not be considered as alternatives to EPS, net income and operating profit determined in accordance with GAAP. Management believes that EPS, net income and operating profit as adjusted to exclude the items in the tables below assist in understanding the results of Nordson Corporation. Our calculation of these non-GAAP measures may not be comparable to the calculation of similarly titled measures reported by other companies.

EARNINGS PER SHARE

	<u>Fourth Quarter</u>		<u>Year-to-Date</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Diluted EPS as reported (U.S. GAAP)	\$ 1.56	\$ (6.22)	\$ 4.91	\$ (4.77)
Goodwill and long-lived asset impairments	-	7.08	-	7.09
Effect of dilution on earnings as adjusted *	-	(0.01)	-	(0.01)
Diluted EPS adjusted for impairment charges	<u>1.56</u>	<u>0.85</u>	<u>4.91</u>	<u>2.31</u>
Other reconciling items:				
Severance and restructuring	0.01	0.05	0.04	0.32
Tax benefit from sale of UV product lines	-	-	(0.31)	-
Other one-time tax items	(0.07)	-	(0.02)	(0.11)
Real estate sale	-	-	-	(0.10)
Diluted EPS as adjusted (Non-GAAP)	<u>\$ 1.50</u>	<u>\$ 0.90</u>	<u>\$ 4.62</u>	<u>\$ 2.42</u>

* Our loss per share for generally accepted accounting principles (GAAP) does not allow for the inclusion of the dilutive effect of shares in the denominator of our per share calculation since this effect would result in a reduction of the loss per share. The effect of dilution on earnings as adjusted is included in the reconciliation of our Non-GAAP measure so that earnings as adjusted reflects the impact of any applicable dilutive shares.

Appendix: Currency and Annual Sales Growth



\$.11 .05 (.10) .01 .16 (.11) (.19) (.20) .04 (.10) (.20) .01 .30 .27 .11 (.10) .18 .29 (.23) .15

25 ■ Volume Growth ■ Currency Effect ■ EPS Currency Effect