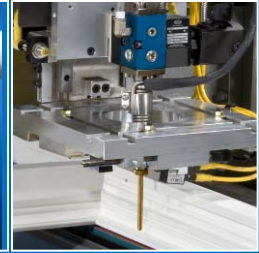
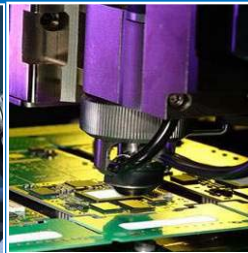
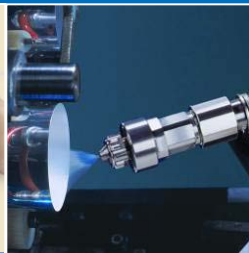
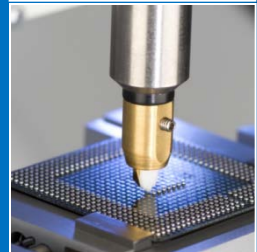


# Nordson Corporation

## Precision Technology Solutions

Dispensing - Test & Inspection - Surface Preparation



**NASDAQ:** NDSN

May 20, 2011 | Second 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.

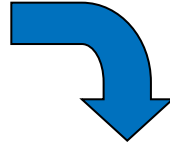
These forward looking statements are based on current expectations and involve risks and uncertainties. Consequently, Nordson Corporation’s actual results could differ materially from the expectations expressed in the forward-looking statements. Factors that could cause the Company’s actual results to 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.

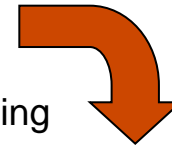
## Sustainable Business Model

- 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

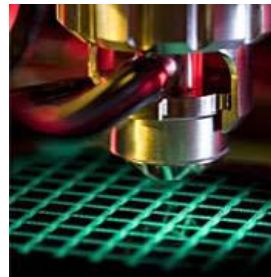
### Material Dispensing

*Adjacent technology*

Surface Treatment & Preparation



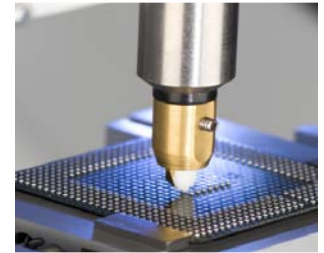
UV Curing  
Plasma Cleaning



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

*Adjacent technology*

Testing & Inspection



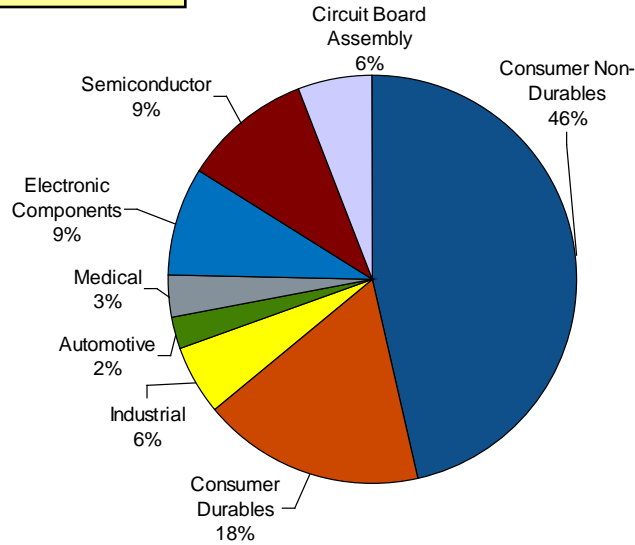
High Resolution X-Ray  
Automated Optical  
Physical Bond Test

### How Nordson Adds Value

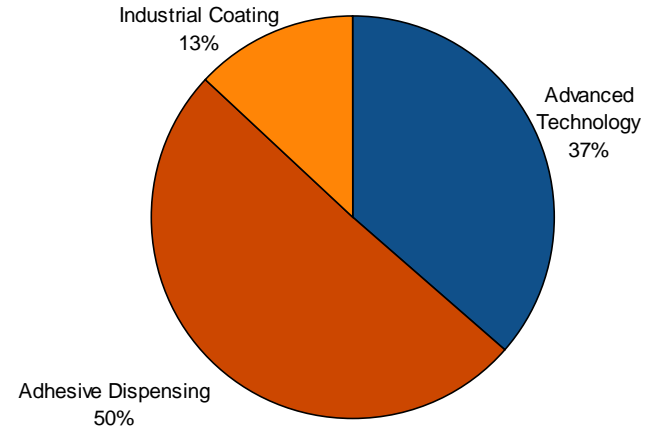
Increase speed, productivity, uptime, profitability  
Enable new products and features  
Decrease material use

# Sales Distribution – FY2010

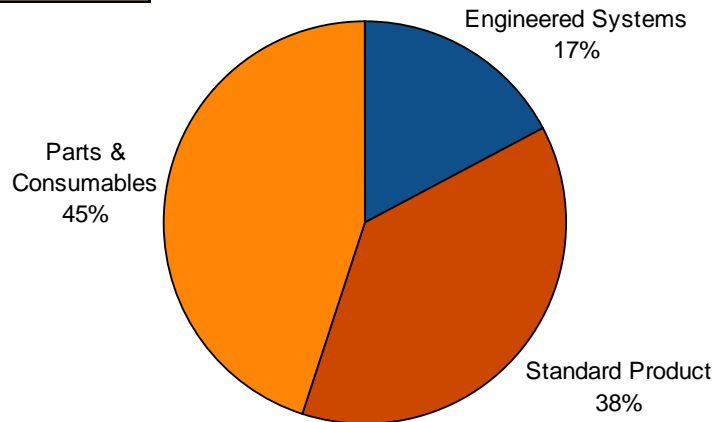
## MARKETS SERVED



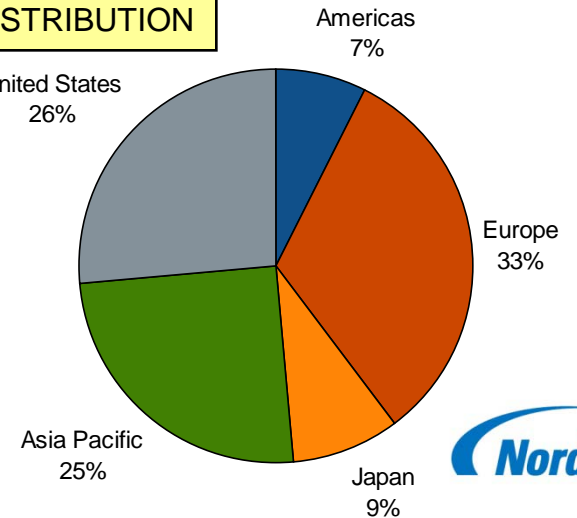
## OPERATING SEGMENTS



## PRODUCT TYPE

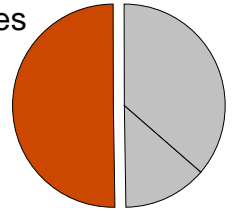


## GEOGRAPHIC DISTRIBUTION



# Adhesive Dispensing Systems

50% of FY10 sales



Twelve Months Ending 4/30/2011:

Sales: \$575m      Operating Margin: 34%

- 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

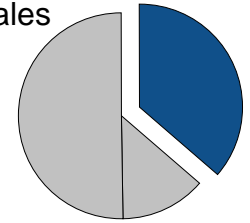
- Income growth in Asia, Latin America, East Europe
- Increased use of disposable hygiene products
- Increased use of processed and convenience foods
- Productivity investments
- Material, machinery and process innovations



*Typical dispensing unit and replacement parts*

# Advanced Technology Systems

37% of FY10 sales



Twelve Months Ending 4/30/2011:  
Sales \$414m    Operating Margin 26%

- 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

## 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:

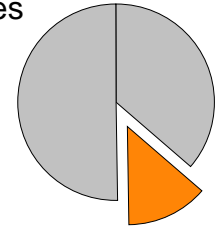
Nordson ASYMTEK, Nordson DAGE, Nordson EFD  
Nordson MARCH, Nordson MICROMEDICS, Nordson YESTECH



*Typical dispensing system  
and consumables*

# Industrial Coating Systems

13% of FY10 sales



Twelve Months Ending 4/30/2011:

Sales \$170m    Operating margin 14%

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

## End markets:

- Appliance
- Office furniture
- Outdoor products
- Automobile assembly
- Food & beverage containers
- Pipe coating

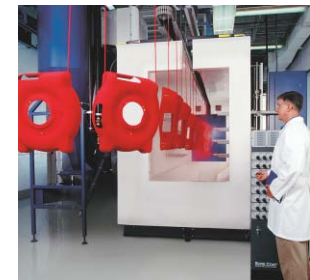
## Applications:

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

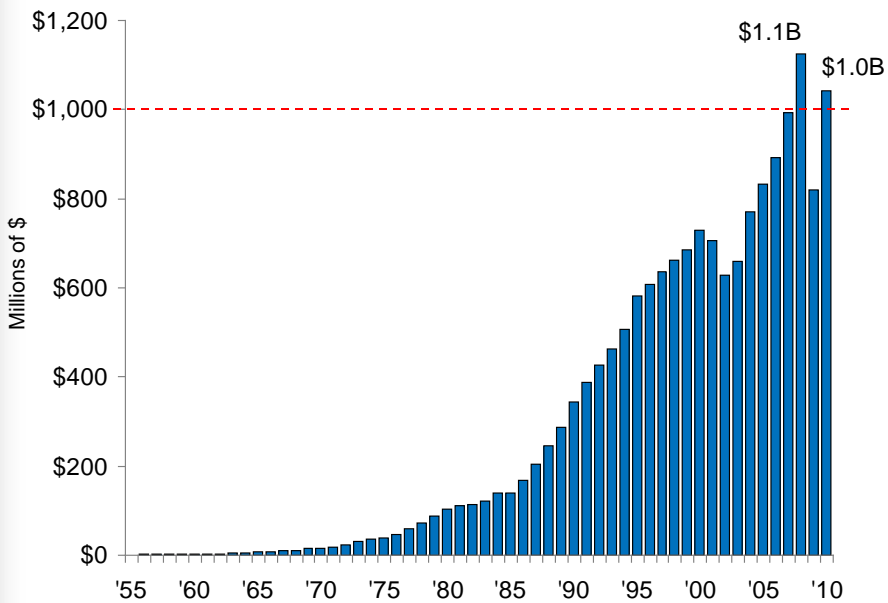
*Typical products, systems  
and replacement parts*

## Drivers of growth:

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



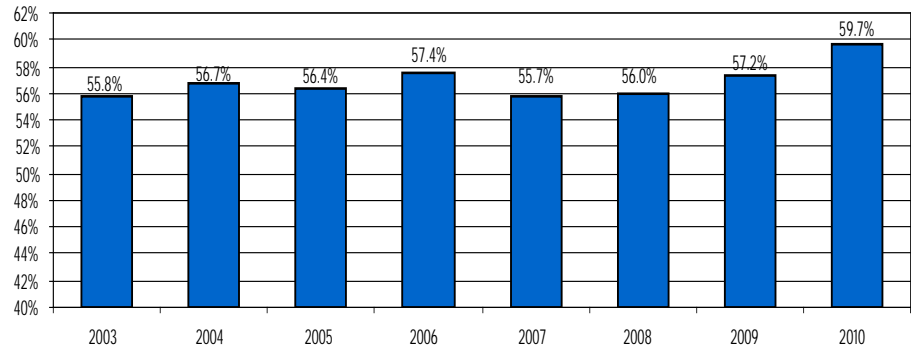
# Consistent Sales Growth



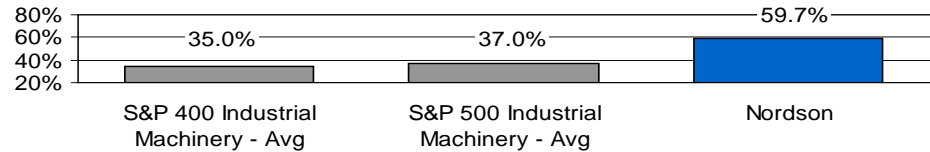
**CAGR: 14%**  
**1955 – 2010**

# Industry Leading Gross Margins

**Nordson Gross Margin – FY2003-FY2010**

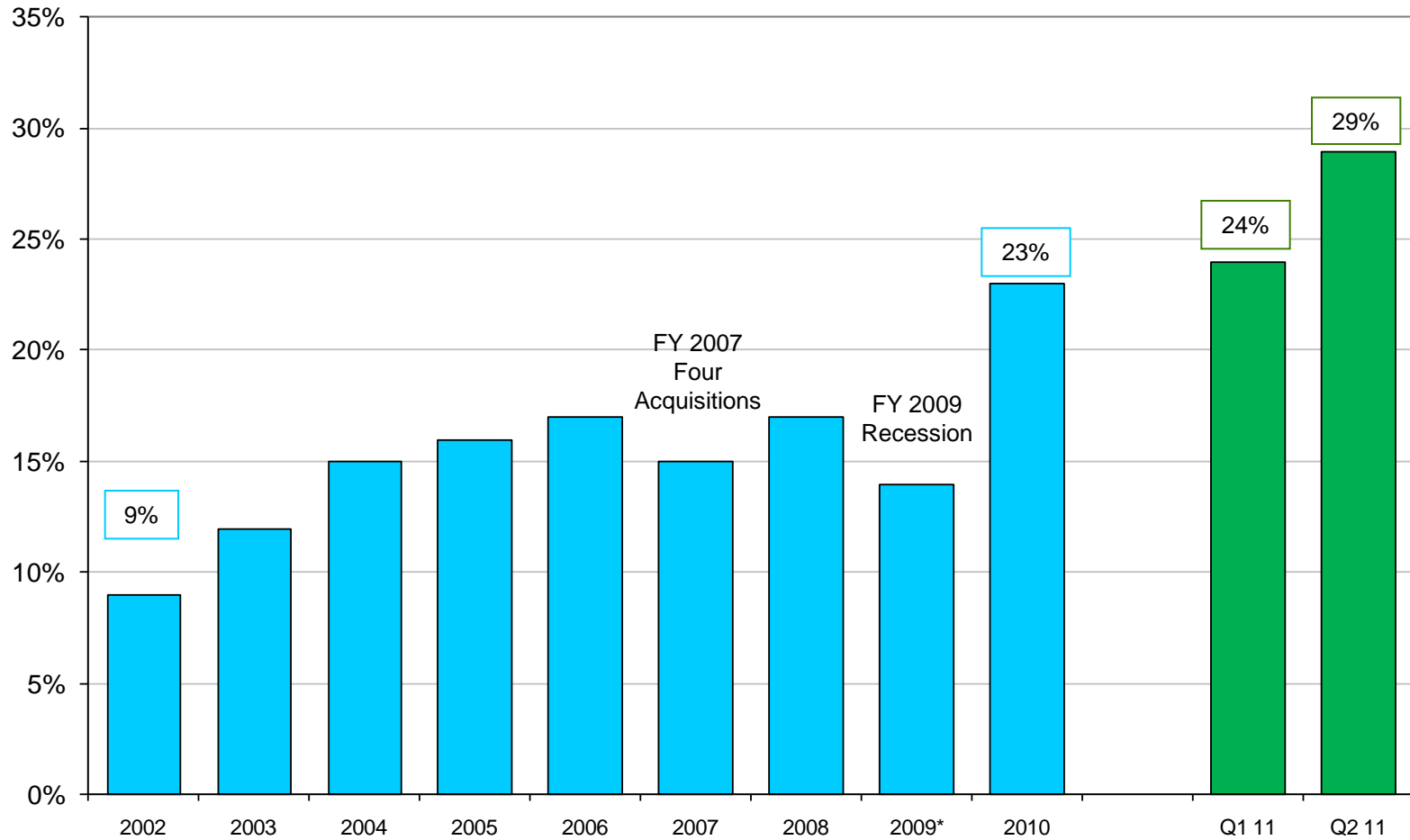


Long term stability of high gross margin



Nordson outperforms industry indices

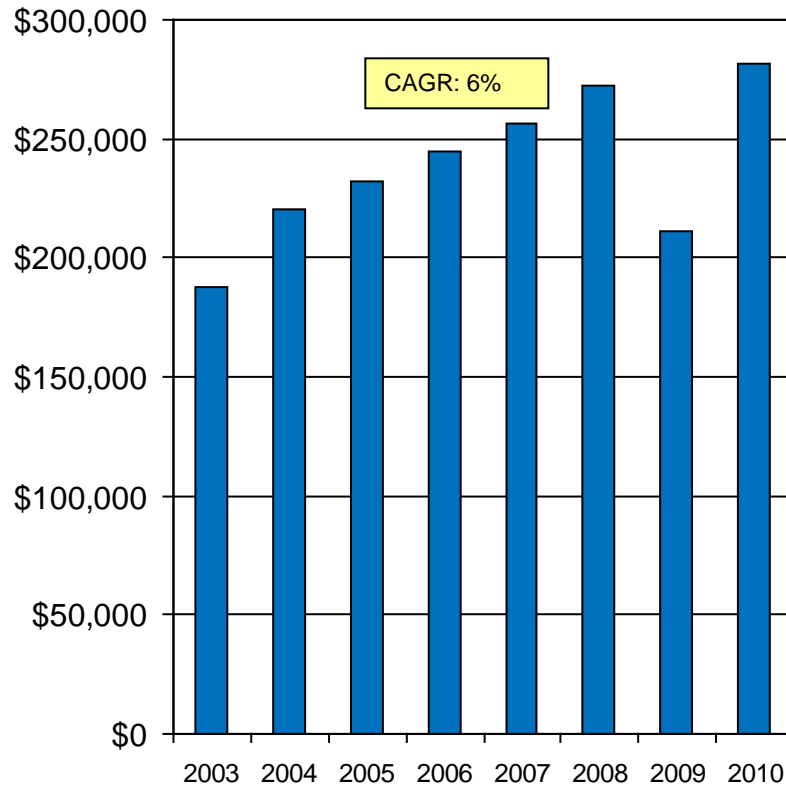
# Operating Margin 2002 – Q2 2011



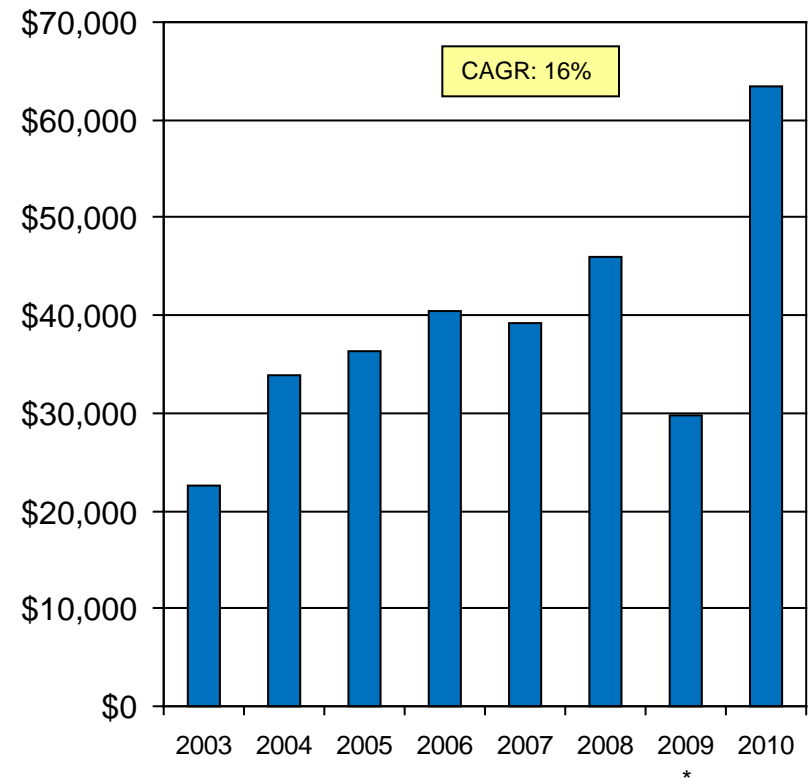
\*FY09 excludes non-cash charges for impairment of goodwill and other long-lived assets.

# Lean Metrics

Sales Per Employee  
2003-2010



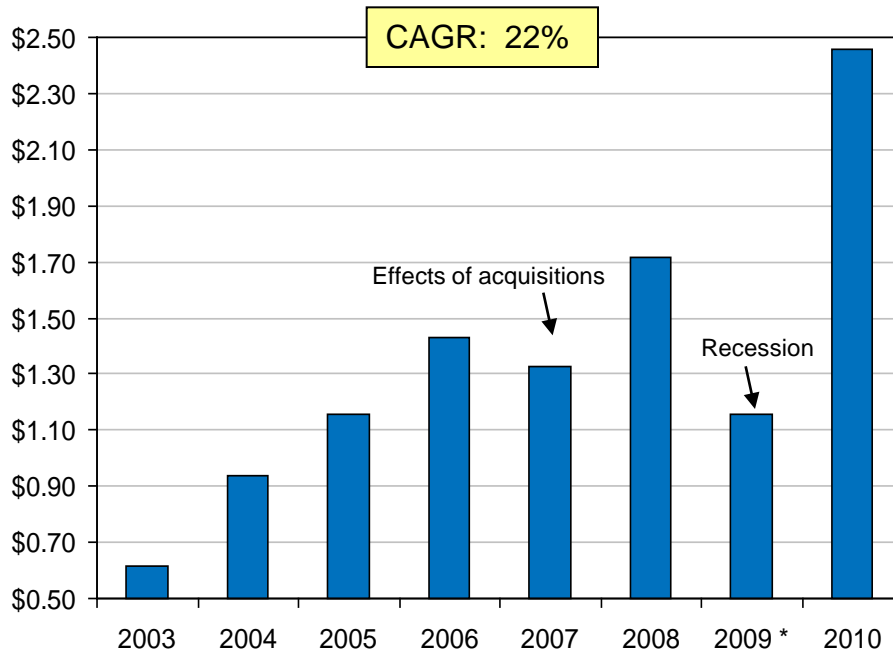
Operating Profit Per Employee  
2003-2010



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



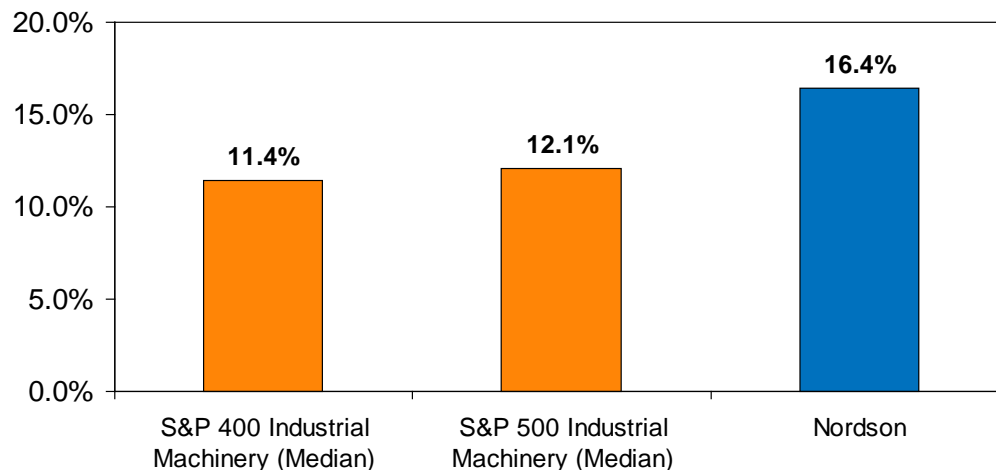
# 3Q FY 2011 Guidance

- Volume growth 6% to 10%
- Currency +7%
- Sales growth 13% to 17%
- Sales dollars \$315 - \$326m
- Earnings per share \$0.84 to \$0.91

# 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

Updated May 2011

	S&P 500 Industrial Mach			S&P 400 Industrial Mach		
	3 year TSR	5 year TSR	10 year TSR	3 year TSR	5 year TSR	10 year TSR
<b>Nordson</b>	<b>24.67</b>	<b>17.38</b>	<b>24.36</b>	<b>24.67</b>	<b>17.38</b>	<b>24.36</b>
<b>Nordson Rank</b>	<b>Quartile 1</b>	<b>Quartile 1</b>	<b>Quartile 1</b>	<b>Quartile 1</b>	<b>Quartile 1</b>	<b>Quartile 1</b>
<b>Quartile</b>						
1	11.00	13.52	14.06	12.20	13.14	16.50
2	8.22	10.38	11.29	8.13	9.27	15.01
3	7.09	8.54	10.16	2.38	5.03	12.15
4	4.02	3.73	7.85	(14.54)	(1.96)	6.29

# Disciplined Use of Cash

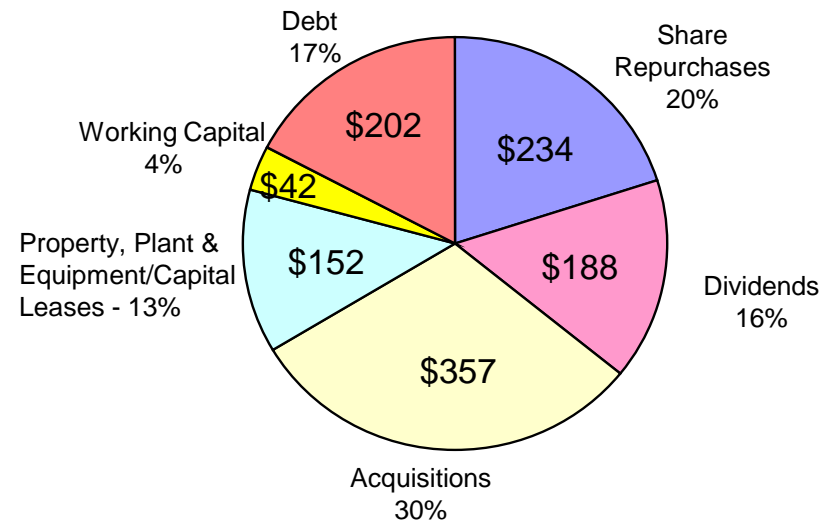
## Cash Flow

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

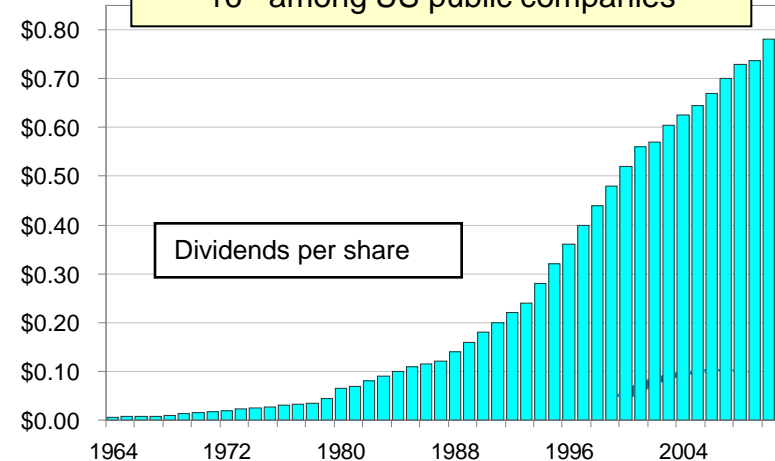
## Cash Deployment

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

Uses of Cash – 2003 to 2010

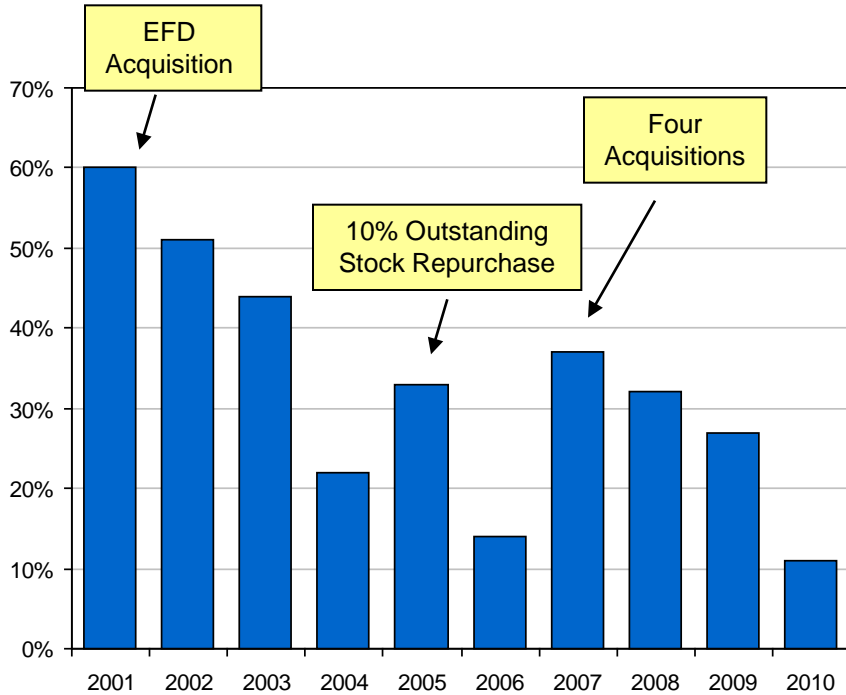


Dividend increased 47 consecutive years  
16<sup>th</sup> among US public companies

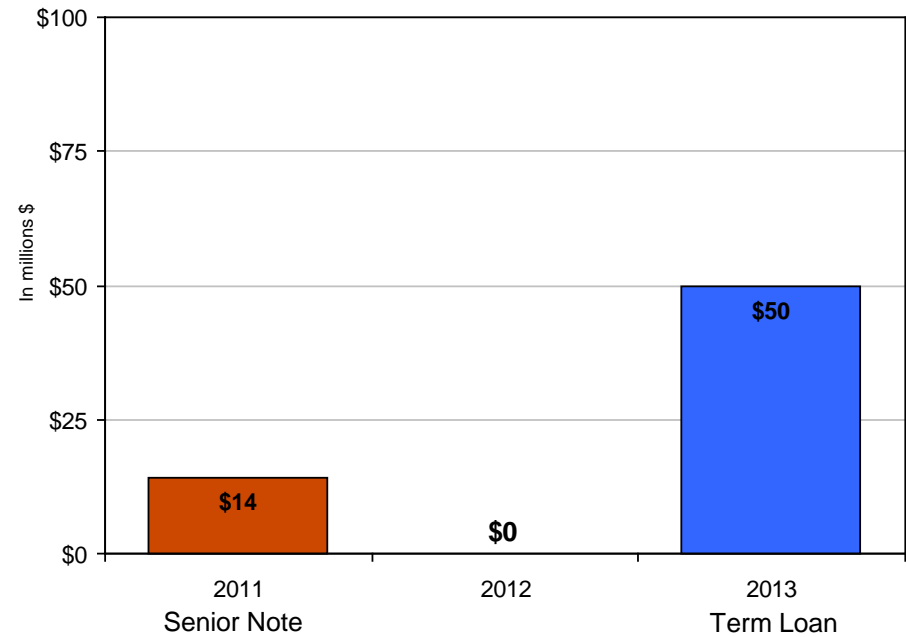


# Capital Management

NET DEBT TO CAPITAL



DEBT MATURITY



Net Debt to Capital calculated net of cash

\$0 Drawn on \$400 million revolver as of 4/30/2011

# 2011 Priorities

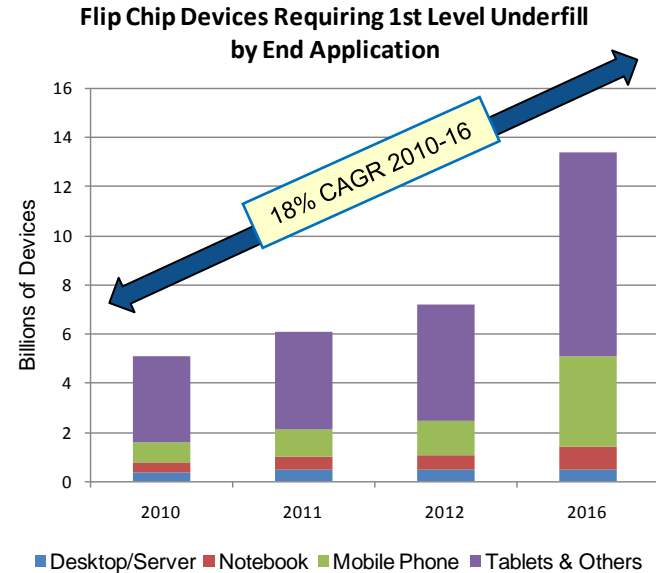
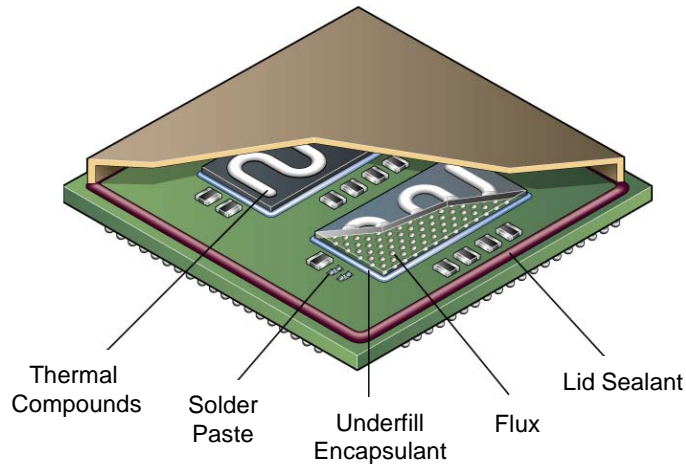
## Growth

- 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 cyclicalities
- Enhanced acquisition process
- Improve talent management program

# Growth: Semiconductor Packaging – Multiple Nordson Opportunities



Source: Prismark as of April 2011

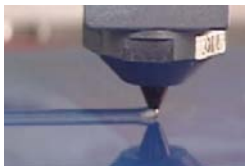
- Flip Chip Underfill – Nordson is world leader
- Flux Dispense
- Thermal Compound Dispense
- Lid Sealant Dispense
- Solder Paste
- Plasma Surface Treatment
- X-Ray Inspection
- Automated Optical Inspection

# Growth: Smart Phones – Multiple Nordson Opportunities

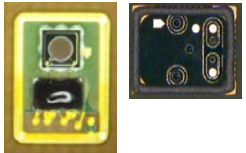
## Nordson Smart Phone Applications



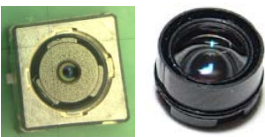
Chip Scale Package Underfill  
& Package on Package 2nd  
Level Underfill



Hot Melt for Housing &  
Flat Panel Display Assembly



Solder Paste & Silicone  
Encapsulation for MEMS  
microphones



Underfill & Lens Bonding  
for Camera Modules

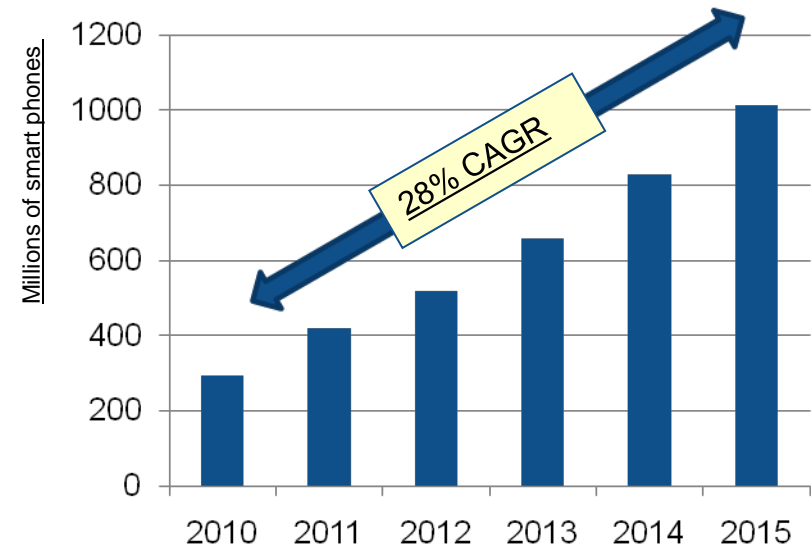
Solder Paste for Radio Frequency Shield Attach  
& SIM Card Solder Joints

Micro Coatings for Moisture Protection

Liquid Radio Frequency Shielding

X-ray Inspection

Smart Phone Forecast  
Industry Average

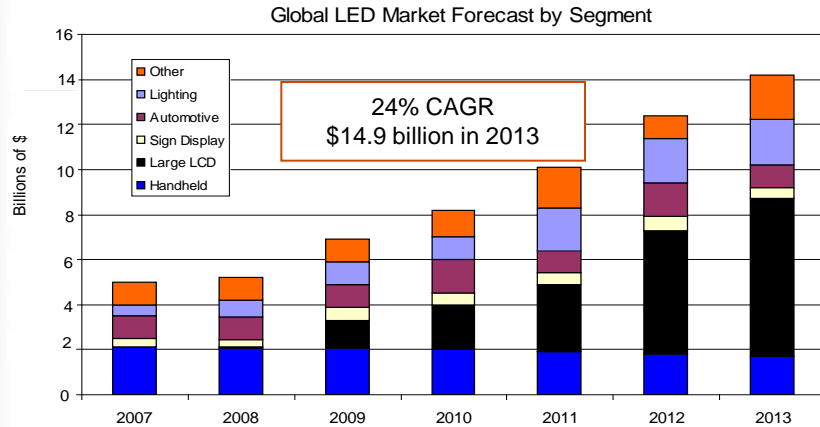


*Source: Gartner, IDC, Berg, Yano, Prismark - data as of April 2011*

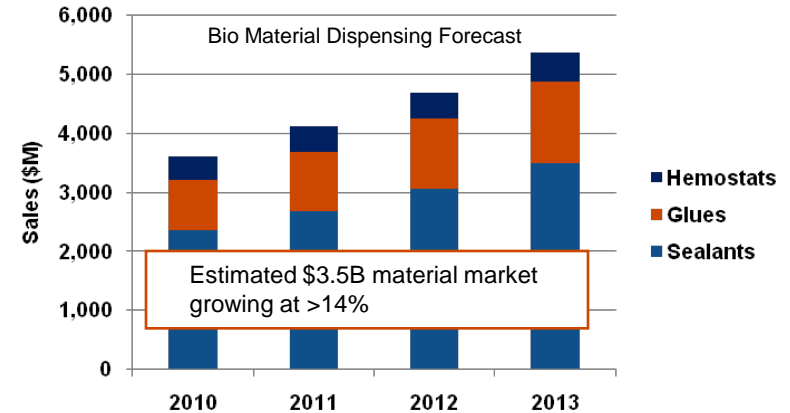


# Growth: New Applications

## LED Manufacturing



## Life Sciences



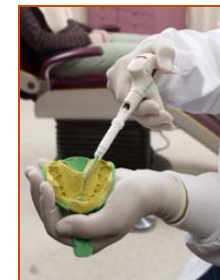
### Nordson Applications

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



### Nordson Applications

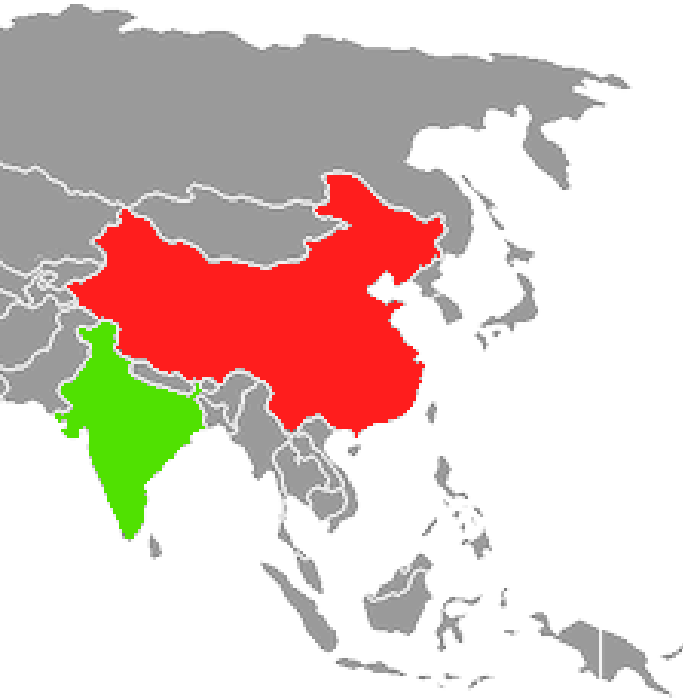
- Hearing Aids, Pacemakers
- Catheters, Stents
- Dental
- Glucose Test Strips
- Biomaterial Dispense



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

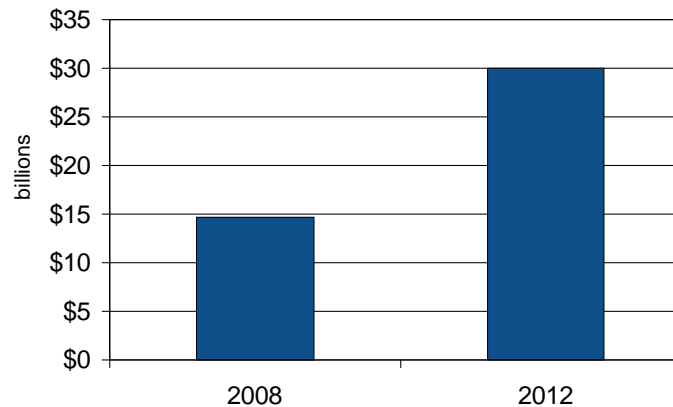
	Babies Under Age 2 (Millions)	Consumption (100 million pcs)	Annual Average Growth Rate	Market Penetration Rate
2007	41	77.5	44.6	17.6
2008	41.3	95.7	23.5	21.1
2010	42.5	137.8	20	29.6
2020	45.2	297.5	8	60.1

## 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

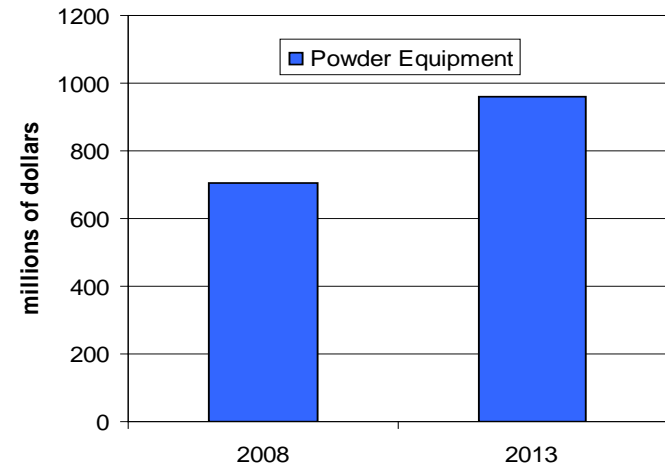
Ability to recycle unused powder



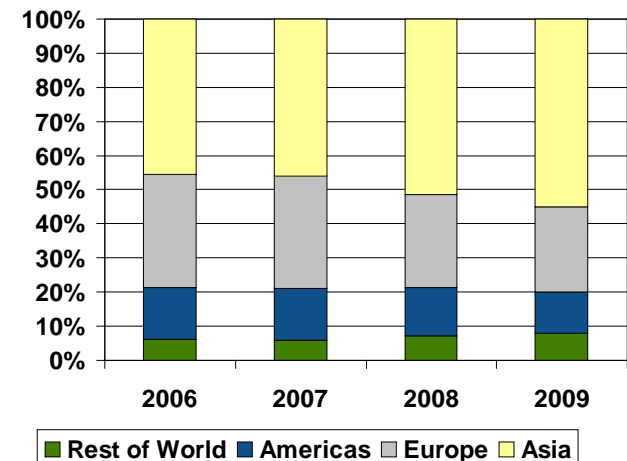
Total Powder Coating market is growing...

...with Asia becoming the largest market

**Global Powder Equipment Market**



**Global Share of Powder Coating Manufacturing**



## Growth: Asia Pacific Sales 2006 to 2010

- Company's 41<sup>th</sup> year of operation in Asia
- Direct in China for 15 years
- Percent of total revenue:
  - 2006: 16%
  - 2010: 25%



### Asia Pacific Revenue

**17% CAGR  
2006-2010**

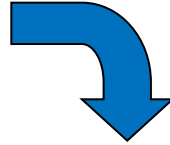
## Building on Excellence - 3 to 5 Year Goals

- 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

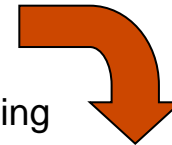
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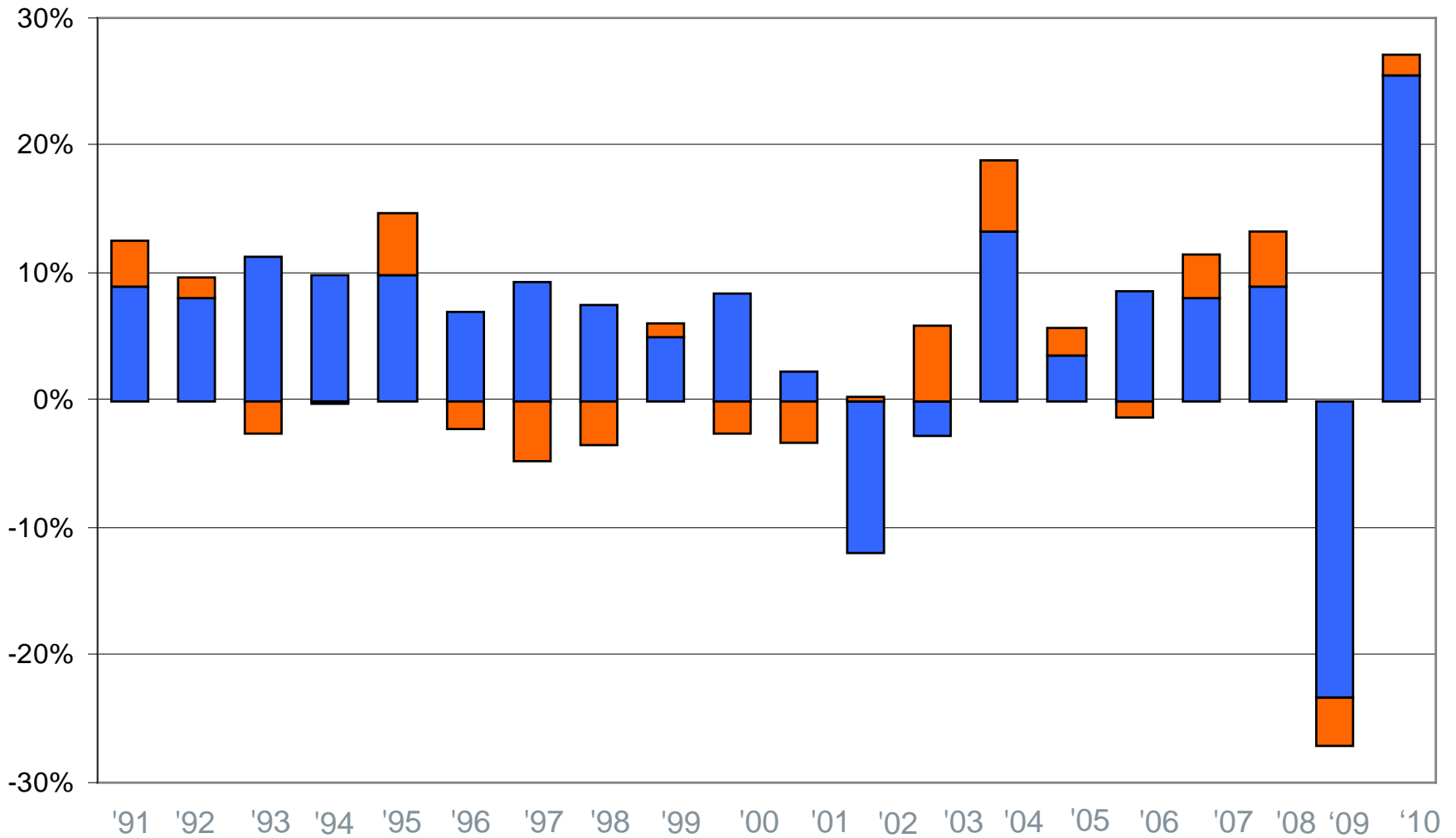


## Delivers Exceptional Results

- 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

# 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