Nordson Corporation
Investor Presentation
A premier industrial technology company focused on precision dispensing, fluid control and related processes

NASDAQ: NDSN

August 20, 2018 | Fiscal 2018 3Q Results & 4Q Outlook
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.
Nordson at a Glance
A premier industrial technology company focused on precision dispensing, fluid control and related processes

- Founded in 1954
- FY17 sales = $2.1 billion
- 7,500 employees
- Direct presence in 35+ countries
- Best-in-class technology

- Diversified, growing end markets
- Market leading positions
- Sustained financial performance
- Outstanding long-term returns
Diversified Sources of Revenue

FY2017 Profile - $2.1 billion

**Product Type**
High percentage of recurring revenue from parts and consumables

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

**Diverse End Markets**
Consumer non-durables, durables, industrial, medical and technology

**Operating Segments**
Three segments with leading product lines and brands
Investment Highlights

- **Strong growth:** organic and acquisitive
- **Outstanding gross margins**
- **Excellent EBITDA margins**
- **High level of free cash flow before dividends**
- **Strong cash returns to shareholders**
- **Reliable and consistent dividend**
- **Outstanding long term Total Shareholder Returns**

- **8% CAGR**
  2012-2017
- **56% Gross Margin**
  Average 2012-2017
- **25% EBITDA Margin**
  Average 2012-2017
- **$1.5 billion**
  100% of net income
  2012-2017
- **$1.0 billion**
  Share repurchases & dividends
  2012-2017
- **54 Years**
  of annual increases
  (22% payout ratio in 2017)
- **122% TSR***
  2012-2017

\[ ((\text{Share Price at 10/31/2017} - \text{Share Price at 10/31/2012 + dividends}) / \text{Share Price at 10/31/2012}) = (\$126.69 - \$59.03 + \$4.39) / \$59.03 = 122\% \]
Total Shareholder Return Above Our Peers

Nordson Corporation | S&P 500 Index | S&P MidCap 400 | S&P 500 Ind. Machinery | S&P MidCap 400 Ind. Machinery | Peer Group

<table>
<thead>
<tr>
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<td>$100.00</td>
<td>$70.90</td>
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<td>$160.42</td>
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<td>$115.31</td>
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<td>$176.57</td>
<td>$169.73</td>
<td>$174.34</td>
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</table>

*Peer Group = AIN, AME, ATU, B, DCI, ENTG, ESL, FLIR, GGG, GTLS, IEX, ITT, KEYS, LECO, ROP, TER, WTS, WWD
Why invest in Nordson?

Clear Strategy and Goals

Strong Execution and Performance

Leading Global Businesses

Numerous Growth Opportunities

Outstanding Culture and Values
Common Themes of our 2018–2023 Strategic Plan
Continue to be a Premier Industrial Technology Company

Accelerate organic growth
- Product innovation
- New applications
- Emerging markets
- Recapitalize installed base
- Segmentation

Add key acquisitions
- Targeted spaces
- Growth and technology
- Cultivate proprietary deals
- Execute and close deals effectively
- Disciplined pricing
- Fast integration

Further optimize our business
- Embed Nordson Business System
- Expand margins
- Working capital initiatives
- Drive synergies with acquisitions

Enhance and expand organization capability
- Deepen bench strength
- Leadership development
- Rotational assignments
- Diversity

Deliver top quartile total shareholder returns
Support our communities & good corporate citizenship
2018–2023 Strategic Plan Targets
Focused initiatives drive premium sales growth and expand profitability

Outpace Revenue Growth %

~2x global GDP%

Revenue
Operating Profit

Continuous Improvement
Growth Initiatives
Underlying Markets

Nordson
The Nordson Business System
Driving Continuous Improvement Across the Organization

Key Performance Indicators

- Growth Initiatives
- Price Effectiveness
- Cost Reduction Initiatives
- Cost of Poor Quality
- Customer Delivery Performance
- Days of Sales in Inventory
- Productivity
- Sales from New Products
Why invest in Nordson?

- Clear Strategy and Goals
- Strong Execution and Performance
- Leading Global Businesses
- Numerous Growth Opportunities
- Outstanding Culture and Values
Financial Highlights

**Strong Top Line Growth**
organic, acquisitive, and currency

10 Year CAGR = 7.6%

**Industry Leading Gross Margins**
Consistently mid 50s and above

**Strong Operating Margins**
Continuous Improvement Initiatives

Dilutive effect of acquisitions

10 Year CAGR = 14.3%

**EPS Growth**
Outpaces Sales Growth Over Time

10 Year CAGR = 14.3%

*FY09 excludes non-cash charges for impairment of goodwill and other long-lived assets. FY15 results impacted by significant negative currency translation effects compared to the prior year. source – NDSN SEC filings*
Strong Cash Generation
Fund Growth and Returns to Shareholders

Cash from Operations: 2007–2017
> 10% as a % of sales every year

Free cash flow before dividends = 102% of net income

Net cash provided by operating activities

Strong Cash Conversion: 2007–2017

*FY09 excludes non-cash charges for impairment of goodwill and other long-lived assets. FY15 results impacted by significant negative currency translation effects compared to the prior year.

Source – NDSN SEC filings
Disciplined Capital Deployment

- Self funding business model generates excess cash
- Low Working Capital Requirements
- Low Capital Expenditures (approx. 3% of sales)
- Strong free cash
- 54 consecutive years of dividend increases - 14th among publicly traded companies

31% or $1.0 billion to shareholders via share repurchases and dividends

$ millions

<table>
<thead>
<tr>
<th>Year</th>
<th>PP&amp;E/Leases 10%</th>
<th>Acquisitions 53%</th>
<th>Dividends 9%</th>
<th>Share Repur. 22%</th>
<th>Working Cap. 6%</th>
<th>TOTAL</th>
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<td>2012</td>
<td>$20.2</td>
<td>$141.7</td>
<td>$41.4</td>
<td>$40.5</td>
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<td>2013</td>
<td>$25.8</td>
<td>$176.3</td>
<td>$48.4</td>
<td>$48.4</td>
<td>$40.5</td>
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<td>2014</td>
<td>$40.6</td>
<td>$166.4</td>
<td>$54.8</td>
<td>$42.7</td>
<td>$49.1</td>
<td>$332.4</td>
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<td>2015</td>
<td>$37.7</td>
<td>$54.8</td>
<td>$56.4</td>
<td>$33.4</td>
<td>$186.4</td>
<td>$885.9</td>
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<td>2016</td>
<td>$21.3</td>
<td>$42.7</td>
<td>$75.6</td>
<td>$21.3</td>
<td>$66.7</td>
<td>$332.4</td>
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<tr>
<td>2017</td>
<td>$61.0</td>
<td>$332.4</td>
<td>$64.6</td>
<td>$64.6</td>
<td>$72.8</td>
<td>$332.4</td>
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<tr>
<td>TOTAL</td>
<td>$206.6</td>
<td>$708.8</td>
<td>$297.7</td>
<td>$708.8</td>
<td>$332.4</td>
<td>$332.4</td>
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</table>
Strong Capital Management

Net Debt to EBITDA*
Strong Cash Generation Lets Nordson De-lever Quickly

At 7/31/2018
Net Debt to TTM EBITDA = 2.1 times

*Net Debt to EBITDA calculated net of cash

Debt Position at 7/31/2018

- **EFD Acquisition (2001)**
- **10% Outstanding Stock Repurchase**
- **Acquisitions & Share Repurchases**
- **Vention Acquisition**

(1) Amortizing-avg rate – 3.04% Remaining Avg. life – 5.5 years
(2) -Term $100m – 5 years (Q2 FY20) at 92.5 bps over USD Libor
   -Term $200m – 3 years (Q2 FY20) at 92.5 bps over USD Libor
   -Term $200m – 4 years (Q4 FY21) at 87.5 bps over USD Libor
   -Term $305m – 5 years (Q2 FY22) at 95 bps over USD Libor
(3) (a) $100m matures Oct 2026 at 125 bps over USD Libor
    (b) $47m – 1.19 remaining avg life at 2.4%
(4) Amortizing-avg rate – 3.03% Remaining Avg. life – 3.71 years
(5) Amortizing-avg rate – 3.90% Remaining Avg. life – 7.3 years
(6) Ends Feb 2020 - 87.5 bps over USD Libor at 7/31/18
Fiscal Year 2018 3Q Results and Fiscal Year 2018 4Q Guidance
as reported in August 20-21, 2018 press release and webcast

Nordson Corporation Reports Record Third Quarter Results

- Sales were $581 million
- Operating profit was $136 million, or 23 percent of sales
- EBITDA was $163 million, or 28 percent of sales
- GAAP diluted EPS was $1.61; adjusted diluted EPS was $1.60
- Free cash flow before dividends was $118 million, or 124 percent of net income

Guidance

- Fourth quarter 2018 guidance: sales expected to be in the range of flat to down 4 percent over prior year; GAAP diluted EPS in the range of $1.38 to $1.54; EBITDA in the range of $143 to $155 million
- Full year organic revenue growth expected to be 2 percent at the midpoint of fourth quarter guidance

See Nordson press release, conference call transcript, presentation Appendix, and SEC filings reconciling adjusted amounts to reported amounts
Why invest in Nordson?

- Clear Strategy and Goals
- Strong Execution and Performance
- Leading Global Businesses
- Numerous Growth Opportunities
- Outstanding Culture and Values
We Win with Unique Competitive Advantages
Common across our businesses

**Core Competencies**
- Application development
- Precision manufacturing
- Engineering strength
- Technical expertise
- Direct global sales and service
- Customer “touch” / solutions provider

**Strategic Assets**
- Customer relationships with leaders
- Product breadth
- Technology position
- Premier brand reputation
- Large installed product base
- Global footprint (distribution, support)
- Balance sheet / ability to scale production

**Customer Value Proposition**
- Product reliability = more uptime
- Speed = greater productivity and yield
- Efficiency = lower material usage
- Leading product features = ease of operation
- Unmatched global support

**Lower Cost of Ownership**
Every Day You Experience the Value We Bring

**Adhesive Dispensing Systems**: consumer non-durable market focus

**Advanced Technology Systems**: electronics, medical and industrial market focus

**Industrial Coating Systems**: durable goods and industrial market focus
Adhesive Dispensing Systems
Leader in recession-resistant, consumer non-durable end markets
Targeted organic growth rate: 1.5 to 2x global GDP

2012-17 Sales CAGR = 6.0%
2012-17 average annual operating margin = 26.6%

What we do: Products to melt, filter, pump, transport, dispense and deposit adhesives, polymers and other materials in the manufacturing of a wide range of goods.

Growth Drivers
- Increased use of disposable hygiene products (diapers, fem care, etc)
- Increased use of packaged convenience foods
- Increased use of plastics
- Emerging markets
- Product tiering
- Recapitalization of large installed base
- Productivity investments
- Material, machinery and process innovations

Key End Markets
- Food and beverage packaging
- Nonwovens / disposable hygiene / diapers
- Furniture and building products
- Macro electronics
- General industrial assembly
- Alternative energy
- Medical devices
- Labeling
- Transportation

Key End Markets
- Food and beverage packaging
- Nonwovens / disposable hygiene / diapers
- Furniture and building products
- Macro electronics
- General industrial assembly
- Alternative energy
- Medical devices
- Labeling
- Transportation
Advanced Technology Systems
Leader in rapidly growing electronics, medical and related markets
Targeted organic growth rate: 2 to 3x global GDP

2012-17 Sales CAGR = 11.7%
2012-17 average annual operating margin = 24.1%

**What we do:** Precision dispensing, fluid management, test, inspection and surface treatment products for electronics, medical and general industrial markets

**Growth Drivers**
- Mobile computing – smart phones, tablets
- Circuit shrinkage / new architectures / flip chips
- Medical needs driven by aging population
- Medical OEM outsourcing
- New consumers in emerging markets
- Product tiering
- Internet of things

**Key End Markets**
- Semiconductor packaging
- Printed circuit board assembly
- General electronic assembly
- Medical devices
- Medical components
- General industrial assembly
- Automotive electronics
- MEMS, sensors, LEDs
- Solar

**Test & Inspection**

**Surface Treatment**

**Semi Automated Dispensing**

**Single Use Fluid Components**
Industrial Coating Systems
Leader in consumer durable goods and industrial end markets
Targeted organic growth rate: global GDP+

2012-17 Sales CAGR = 3.9%
2012-17 average annual operating margin = 15.5%

What we do: Precision equipment and systems to apply and cure paints, sealants, coatings, cold materials and other materials to a wide range of products

Growth Drivers
- Growth in emerging markets
- Environmental advantages of powder coatings
- Glues replacing mechanical fasteners
- Light-weighting of vehicles
- Productivity investments
- Lean manufacturing
- Quick color change
- Product tiering

Key End Markets
- Appliances
- Lawn and garden
- Food and beverage
- Automotive assembly
- Cold material dispensing
- Pipe coating and construction
- Woodworking
- General industrial
- Electronics / UV curing
Why invest in Nordson?

- Clear Strategy and Goals
- Strong Execution and Performance
- Leading Global Businesses
- Numerous Growth Opportunities
- Outstanding Culture and Values
Multiple Paths to Organic Growth
Annual Target is ~2x global GDP

- New Products
- Emerging Markets
- Recapitalize Installed Base
- Customer Product Changes
- New Applications

Global GDP
NDSN Annual Organic Growth Rate Target
Innovation Drives Organic Growth
Steady stream of new products
Emerging Markets Drive Organic Growth
Growing middle class drives increased consumption

- baby diapers, disposable hygiene products
- packaged foods, beverages, convenience items
  - appliances and other durable goods
    - electronic devices
    - medical products
    - plastic goods

Nordson Sales (000s)

- Americas reporting includes Canada, but not US
- Asia Pacific excludes Japan
- Eastern Europe, Middle East and Africa are reported in Europe and not broken out separately
New Applications Drive Organic Growth
Leveraging our expertise – numerous emerging opportunities over last five years

- Sensor assembly
- LED assembly
- MEMS assembly
- Wafer level inspection
- Wearable electronics
- Micro-materials testing
- Aerospace assembly
- Biopharmaceuticals
- Orthobiologics
- Minimally invasive catheters
- Bottle labeling
- Pipe coating
- Flexible packaging
Recapitalization Drives Organic Growth

Large installed base of Nordson products worldwide provides regular replacement and upgrade opportunities

- Packaging lines
- Nonwovens lines
- Powder coating lines
- Extrusion & injection molding lines
- Electronics assembly lines
Acquisitions Drive Growth
High quality properties supplement organic growth

2007–2017: 4.4% average annual growth from acquisitions

Current Focus and Recent Transactions

- Polymer Processing
- Fluid Mgmt. (medical)
- Test & Inspection
- Cold Material Dispense
- Core Dispense Portfolio

Key Criteria
- Strategic fit
- Strong performers
- Growth rate at/above Nordson
- High % recurring revenue
- Reasonable multiples
- Revenue and cost synergies
Why invest in Nordson?

- Clear Strategy and Goals
- Strong Execution and Performance
- Leading Global Businesses
- Numerous Growth Opportunities
- Outstanding Culture and Values
Strong Culture and Values
Rooted in the vision of our founders

“My hope for Nordson is that we continue to be a venturesome company, operating somewhere out on the leading edge… we must encourage innovators and entrepreneurs.”

Eric Nord

“To be truly fit, we must exercise our ‘giving’ muscles.”

Evan Nord
Giving Back - Part of Who We Are

~$53 million donated 2007-2017

Employees also volunteer thousands of hours via Time ‘n Talent program
Investment Summary
Proven Model for Long Term Value Creation

- Clear Strategy and Goals
- Strong Execution and Performance
- Leading Global Businesses
- Numerous Growth Opportunities
- Outstanding Culture and Values

- Strong growth: organic and acquisitive
- Outstanding gross margins
- Excellent EBITDA margins
- High level of free cash flow
- Strong cash returns to shareholders
- Reliable and consistent dividend
- Outstanding long term Total Shareholder Returns
Financial Appendix
THIRD QUARTER PERIOD
Period Ending July 31, 2018
(An Audited)

NORDSON CORPORATION
FINANCIAL HIGHLIGHTS
(Dollars in thousands except for per-share amounts)

<table>
<thead>
<tr>
<th>CONSOLIDATED STATEMENT OF INCOME</th>
<th>Third Quarter</th>
<th>Year-to-Date</th>
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<tr>
<td></td>
<td>2018</td>
<td>2017</td>
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<tr>
<td>Net sales</td>
<td>$ 581,243</td>
<td>$ 589,438</td>
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<td>Cost of sales</td>
<td>260,847</td>
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<td>Selling &amp; administrative expenses</td>
<td>184,820</td>
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<td>Operating profit</td>
<td>135,576</td>
<td>153,466</td>
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<td>Interest expense - net</td>
<td>(13,409)</td>
<td>(11,038)</td>
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<td>Other income (expense) - net</td>
<td>528</td>
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<td>Income before income taxes</td>
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<td>Income taxes</td>
<td>27,811</td>
<td>40,999</td>
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<td>Net Income</td>
<td>$ 94,884</td>
<td>$ 101,456</td>
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<th>CONSOLIDATED BALANCE SHEET</th>
<th>July 31</th>
<th>October 31</th>
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<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>Net sales</td>
<td>$ 581,243</td>
<td>$ 589,438</td>
</tr>
<tr>
<td>Cash and marketable securities</td>
<td>$ 266,802</td>
<td>$ 90,383</td>
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<td>Receivables</td>
<td>507,681</td>
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<td>Inventories</td>
<td>271,360</td>
<td>264,266</td>
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<td>Total current assets</td>
<td>31,978</td>
<td>28,636</td>
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<td>Property, plant &amp; equipment - net</td>
<td>356,777</td>
<td>346,411</td>
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<td>Other assets</td>
<td>2,172,794</td>
<td>2,179,756</td>
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<td>Total current liabilities</td>
<td>341,104</td>
<td>647,746</td>
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<td>Notes payable and debt due within one year</td>
<td>$ 33,729</td>
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<td>Accounts payable and accrued liabilities</td>
<td>307,375</td>
<td>321,159</td>
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<td>Total liabilities</td>
<td>341,104</td>
<td>647,746</td>
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<td>Long-term debt</td>
<td>1,521,393</td>
<td>1,256,397</td>
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<tr>
<td>Other liabilities</td>
<td>321,979</td>
<td>354,903</td>
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<tr>
<td>Total shareholders’ equity</td>
<td>1,422,916</td>
<td>1,555,493</td>
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<tr>
<td>$ 3,607,392</td>
<td>$ 3,414,539</td>
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Return on sales                   | 16%           | 17%          |
Return on average shareholders’ equity | 39%           | 28%          |

Average common shares outstanding (000's) | 58,053 | 57,594 | 57,931 | 57,495
Average common shares and common share equivalents (000's) | 58,912 | 58,259 | 58,910 | 58,171

Per share:
- Basic earnings: $ 1.63 $ 1.76 $ 5.02 $ 3.76
- Diluted earnings: $ 1.61 $ 1.74 $ 4.93 $ 3.71
- Dividends paid: $.30 $.27 $.90 $.81
- Total dividends: $ 17,412 $ 15,550 $ 52,109 $ 46,549

Employees: 7,543 7,532
Common shares outstanding (000's): 58,149 57,715

Nordson
# NORDSON CORPORATION
**FINANCIAL HIGHLIGHTS**
(Dollars in thousands)

## Third Quarter Period Ending July 31, 2018

### Sales by Business Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>2018</th>
<th>2017</th>
<th>% Growth over 2017</th>
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<tbody>
<tr>
<td>Adhesive dispensing systems</td>
<td>$244,728</td>
<td>$233,367</td>
<td>3.4%</td>
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<tr>
<td>Advanced technology systems</td>
<td>266,595</td>
<td>290,406</td>
<td>-8.9%</td>
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<tr>
<td>Industrial coating systems</td>
<td>69,920</td>
<td>65,665</td>
<td>5.7%</td>
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<tr>
<td>Total sales by business segment</td>
<td>$581,243</td>
<td>$589,438</td>
<td>-2.4%</td>
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### Operating Profit by Business Segment

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<tr>
<th>Segment</th>
<th>2018</th>
<th>2017</th>
</tr>
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<tbody>
<tr>
<td>Adhesive dispensing systems</td>
<td>$68,490</td>
<td>$66,451</td>
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<tr>
<td>Advanced technology systems</td>
<td>67,158</td>
<td>87,385</td>
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<tr>
<td>Industrial coating systems</td>
<td>15,179</td>
<td>13,192</td>
</tr>
<tr>
<td>Corporate</td>
<td>(15,251)</td>
<td>(13,562)</td>
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<tr>
<td>Total operating profit by business segment</td>
<td>$135,576</td>
<td>$153,466</td>
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## Sales by Geographic Region

<table>
<thead>
<tr>
<th>Region</th>
<th>2018</th>
<th>2017</th>
<th>% Growth over 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>$191,512</td>
<td>$182,953</td>
<td>4.7%</td>
</tr>
<tr>
<td>Americas</td>
<td>38,911</td>
<td>41,604</td>
<td>-4.1%</td>
</tr>
<tr>
<td>Europe</td>
<td>150,710</td>
<td>133,846</td>
<td>9.4%</td>
</tr>
<tr>
<td>Japan</td>
<td>28,367</td>
<td>41,472</td>
<td>-32.5%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>171,743</td>
<td>189,563</td>
<td>-10.8%</td>
</tr>
<tr>
<td>Total Sales by Geographic Region</td>
<td>$581,243</td>
<td>$589,438</td>
<td>-2.4%</td>
</tr>
</tbody>
</table>

## Year-to-Date

<table>
<thead>
<tr>
<th>Segment</th>
<th>2018</th>
<th>2017</th>
<th>% Growth over 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adhesive dispensing systems</td>
<td>$704,367</td>
<td>$668,146</td>
<td>0.8%</td>
</tr>
<tr>
<td>Advanced technology systems</td>
<td>789,135</td>
<td>645,907</td>
<td>20.0%</td>
</tr>
<tr>
<td>Industrial coating systems</td>
<td>191,871</td>
<td>178,991</td>
<td>4.5%</td>
</tr>
<tr>
<td>Total sales by business segment</td>
<td>$1,685,373</td>
<td>$1,493,044</td>
<td>9.6%</td>
</tr>
</tbody>
</table>

### Operating Profit by Geographic Region

<table>
<thead>
<tr>
<th>Region</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>$536,164</td>
<td>$464,569</td>
</tr>
<tr>
<td>Americas</td>
<td>112,149</td>
<td>107,971</td>
</tr>
<tr>
<td>Europe</td>
<td>447,384</td>
<td>381,473</td>
</tr>
<tr>
<td>Japan</td>
<td>127,266</td>
<td>96,504</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>462,410</td>
<td>442,527</td>
</tr>
<tr>
<td>Total Sales by Geographic Region</td>
<td>$1,685,373</td>
<td>$1,493,044</td>
</tr>
</tbody>
</table>
## EBITDA

<table>
<thead>
<tr>
<th></th>
<th>Third Quarter</th>
<th>Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>Net income</td>
<td>$ 94,884</td>
<td>$ 101,456</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization expense</td>
<td>27,321</td>
<td>25,964</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>13,409</td>
<td>11,038</td>
</tr>
<tr>
<td>Income taxes</td>
<td>27,811</td>
<td>40,999</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$ 163,425</td>
<td>$ 179,447</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition costs and adjustments (1)</td>
<td>-</td>
<td>2,252</td>
</tr>
<tr>
<td>EBITDA As Adjusted</td>
<td>$ 163,425</td>
<td>$ 181,497</td>
</tr>
<tr>
<td>EBITDA per diluted share</td>
<td>$ 2.77</td>
<td>$ 3.08</td>
</tr>
<tr>
<td>EBITDA As Adjusted per diluted share</td>
<td>$ 2.77</td>
<td>$ 3.12</td>
</tr>
</tbody>
</table>

(1) Represents costs and adjustments associated with our 2018 and 2017 acquisitions, including accounting adjustments to inventory that were charged to cost of sales when the inventory was sold; and transaction-related costs comprising of acquisition fees, legal, financial and tax due diligence expenses, and valuation costs that are required to be expensed as incurred.

EBITDA and EBITDA per diluted share are non-GAAP financial measures used by management to evaluate the Company’s ongoing operations. EBITDA is defined as earnings before interest, taxes, depreciation and amortization and EBITDA As Adjusted is defined as EBITDA plus certain acquisition costs and adjustments. EBITDA per diluted share is defined as EBITDA divided by the Company's diluted weighted average shares outstanding. EBITDA As Adjusted per diluted share is defined as EBITDA As Adjusted divided by the Company’s diluted weighted average shares outstanding.

## Free Cash Flow Before Dividends

<table>
<thead>
<tr>
<th></th>
<th>Third Quarter</th>
<th>Year-to-Date</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
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</tr>
<tr>
<td>Net income</td>
<td>$ 94,884</td>
<td>$ 101,456</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>27,321</td>
<td>25,964</td>
</tr>
<tr>
<td>Other non-cash charges</td>
<td>3,934</td>
<td>(8,592)</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities</td>
<td>4,477</td>
<td>(41,299)</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>130,816</td>
<td>77,919</td>
</tr>
<tr>
<td>Additions to property, plant and equipment</td>
<td>(12,923)</td>
<td>(22,295)</td>
</tr>
<tr>
<td>Proceeds from the sale of property, plant and equipment</td>
<td>64</td>
<td>308</td>
</tr>
<tr>
<td>Free cash flow before dividends</td>
<td>$ 117,757</td>
<td>$ 55,532</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition costs and adjustments, net of tax(1)</td>
<td>-</td>
<td>1,987</td>
</tr>
<tr>
<td>Free cash flow before dividends, adjusted</td>
<td>$ 117,757</td>
<td>$ 53,129</td>
</tr>
</tbody>
</table>

(1) Represents costs and adjustments associated with our 2018 and 2017 acquisitions, including accounting adjustments to inventory that were charged to cost of sales when the inventory was sold; and transaction-related costs comprising of acquisition fees, legal, financial and tax due diligence expenses, and valuation costs that are required to be expensed as incurred.

Free cash flow before dividends, a non-GAAP financial measure, is defined as net cash provided by operating activities less purchased property, plant and equipment and proceeds from the sale of property, plant and equipment. It is a financial measure used by management to assess its ability to generate cash in excess of its operating needs. Therefore, the Company believes this financial measure provides useful information to investors. Free cash flow before dividends is not a measure of financial performance under GAAP and should be considered in addition to, and not as a substitute for, operating cash flows or other financial measures prepared in accordance with GAAP. Our calculations of non-GAAP measures may not be comparable to the calculations of similarly titled measures reported by other companies.
Appendix: Currency Impact

Annual Sales Growth and EPS

Volume Growth
Currency Effect
EPS Currency Effect

'07  '08  '09  '10  '11  '12  '13  '14  '15  '16  '17

Numbers as reported and do not factor in stock splits