

NORDSON CORP  
Form 10-Q  
June 05, 2012  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended April 30, 2012

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-7977

**NORDSON CORPORATION**

(Exact name of registrant as specified in its charter)

**Ohio**  
(State of incorporation)

**34-0590250**  
(I.R.S. Employer  
Identification No.)

**28601 Clemens Road**

**Westlake, Ohio**  
(Address of principal executive offices)

**44145**  
(Zip Code)

**(440) 892-1580**

(Telephone Number)

**Securities registered pursuant to Section 12(b) of the Act:**

**Common Shares, without par value**

**Securities registered pursuant to Section 12(g) of the Act:**

**None**

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of large accelerated filer, large accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if smaller reporting company)

Smaller reporting company

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: Common Shares, without par value, as of April 30, 2012: 64,312,607



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**Table of Contents****Nordson Corporation****PART I FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)****Consolidated Statements of Income**

<i>(In thousands, except for per share data)</i>	Three Months Ended		Six Months Ended	
	April 30, 2012	April 30, 2011	April 30, 2012	April 30, 2011
Sales	\$ 315,193	\$ 318,924	\$ 591,029	\$ 589,886
Operating costs and expenses:				
Cost of sales	123,497	121,172	229,987	225,963
Cost of sales restructuring	2,040		2,040	
Selling and administrative expenses	111,063	105,324	223,111	205,971
Severance and restructuring	1,736		2,547	
	238,336	226,496	457,685	431,934
Operating profit	76,857	92,428	133,344	157,952
Other income (expense):				
Interest expense	(2,161)	(1,338)	(4,129)	(2,733)
Interest and investment income	147	115	266	240
Other net	137	1,791	1,129	2,727
	(1,877)	568	(2,734)	234
Income before income taxes	74,980	92,996	130,610	158,186
Income taxes	22,869	27,754	40,161	47,047
Net income	\$ 52,111	\$ 65,242	\$ 90,449	\$ 111,139
Average common shares	64,426	68,110	64,749	68,043
Incremental common shares attributable to outstanding stock options, nonvested stock, and deferred stock-based compensation	753	892	658	878
Average common shares and common share equivalents	65,179	69,002	65,407	68,921
Basic earnings per share	\$ 0.81	\$ 0.96	\$ 1.40	\$ 1.63
Diluted earnings per share	\$ 0.80	\$ 0.95	\$ 1.38	\$ 1.61
Dividends declared per share	\$ 0.125	\$ 0.105	\$ 0.25	\$ 0.21

See accompanying notes.

**Table of Contents****Nordson Corporation****Consolidated Balance Sheets**

<i>(In thousands)</i>	April 30, 2012	October 31, 2011
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 57,537	\$ 37,408
Receivables	249,184	254,310
Inventories	154,934	141,912
Deferred income taxes	35,852	35,693
Prepaid expenses	9,025	7,634
<b>Total current assets</b>	<b>506,532</b>	<b>476,957</b>
Property, plant and equipment net	141,610	130,883
Goodwill	546,780	547,826
Intangible assets net	115,056	120,699
Other assets	27,239	28,085
	<b>\$ 1,337,217</b>	<b>\$ 1,304,450</b>
<b>Liabilities and shareholders' equity</b>		
Current liabilities:		
Notes payable	\$ 4	\$ 33
Accounts payable	46,487	46,381
Income taxes payable	21,321	15,283
Accrued liabilities	79,572	101,294
Customer advanced payments	16,660	9,375
Current maturities of long-term debt	55,664	5,664
Current obligations under capital leases	4,518	4,131
<b>Total current liabilities</b>	<b>224,226</b>	<b>182,161</b>
Long-term debt	286,480	313,459
Deferred income taxes	21,671	17,415
Pension obligations	123,224	123,058
Postretirement obligations	73,822	71,943
Other liabilities	29,951	25,091
Shareholders' equity:		
Common shares	12,253	12,253
Capital in excess of stated value	277,347	272,928
Retained earnings	1,064,480	990,221
Accumulated other comprehensive loss	(82,189)	(80,012)
Common shares in treasury, at cost	(694,048)	(624,067)
<b>Total shareholders' equity</b>	<b>577,843</b>	<b>571,323</b>
	<b>\$ 1,337,217</b>	<b>\$ 1,304,450</b>

See accompanying notes.



**Table of Contents****Nordson Corporation****Consolidated Statement of Cash Flows**

Six Months Ended (In thousands)	April 30, 2012	April 30, 2011
Cash flows from operating activities:		
Net income	\$ 90,449	\$ 111,139
Depreciation and amortization	15,959	14,246
Non-cash stock compensation	4,959	4,701
Deferred income (benefit)/expense	1,231	(217)
Other non-cash expense	850	1,435
Loss on sale of property, plant and equipment	122	83
Tax benefit from the exercise of stock options	(979)	(6,919)
Changes in operating assets and liabilities	(13,622)	(12,406)
Net cash provided by operating activities	98,969	112,062
Cash flows from investing activities:		
Additions to property, plant and equipment	(14,370)	(10,714)
Proceeds from sale of property, plant and equipment	444	131
Proceeds from sale of product lines	2,213	
Purchase of businesses, net of cash acquired		(21,296)
Proceeds from sale of marketable securities		7,552
Net cash used in investing activities	(11,713)	(24,327)
Cash flows from financing activities:		
Proceeds from short-term borrowings		65
Repayment of short-term borrowings	(29)	(1,544)
Proceeds from long-term debt	37,975	49,506
Repayment of long-term debt	(14,954)	(93,524)
Repayment of capital lease obligations	(2,423)	(2,335)
Issuance of common shares	2,852	9,282
Purchase of treasury shares	(74,352)	(19,134)
Tax benefit from the exercise of stock options	979	6,919