Investor Presentation

Avery Dennison Corporation

February 2019

Forward-Looking Statements

Certain statements contained in this document are "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements, and financial or other business targets, are subject to certain risks and uncertainties. Actual results and trends may differ materially from historical or anticipated results depending on a variety of factors, including but are not limited to, risks and uncertainties relating to the following: fluctuations in demand affecting sales to customers; worldwide and local economic conditions; changes in political conditions; changes in governmental laws and regulations; fluctuations in foreign currency exchange rates and other risks associated with foreign operations, including in emerging markets; the financial condition and inventory strategies of customers; changes in our markets due to competitive conditions, technological developments, laws and regulations, and customer preferences; fluctuations in cost and availability of raw materials; our ability to generate sustained productivity improvement; our ability to achieve and sustain targeted cost reductions; the impact of competitive products and pricing; loss of significant contracts or customers; collection of receivables from customers; selling prices; business mix shift; execution and integration of acquisitions; timely development and market acceptance of new products, including sustainable or sustainably-sourced products; investment in development activities and new production facilities; amounts of future dividends and share repurchases; customer and supplier concentrations; successful implementation of new manufacturing technologies and installation of manufacturing equipment; disruptions in information technology systems, including cyber-attacks or other intrusions to network security; successful installation of new or upgraded information technology systems; data security breaches; volatility of financial markets; impairment of capitalized assets, including goodwill and other intangibles; credit risks; our ability to obtain adequate financing arrangements and maintain access to capital; fluctuations in interest and tax rates; changes in tax laws and regulations including the U.S. Tax Cuts and Jobs Act, and uncertainties associated with interpretations of such laws and regulations; outcome of tax audits; fluctuations in pension, insurance, and employee benefit costs, including risk related to the termination of our U.S. pension plan; the impact of legal and regulatory proceedings, including with respect to environmental, health and safety; protection and infringement of intellectual property; the impact of epidemiological events on the economy and our customers and suppliers; acts of war, terrorism, and natural disasters; and other factors.

We believe that the most significant risk factors that could affect our financial performance in the near-term include: (1) the impacts of global economic conditions and political uncertainty on underlying demand for our products and foreign currency fluctuations; (2) the degree to which higher costs can be offset with productivity measures and/or passed on to customers through selling price increases, without a significant loss of volume; (3) competitors' actions, including pricing, expansion in key markets, and product offerings; and (4) the execution and integration of acquisitions.

For a more detailed discussion of these and other factors, see “Risk Factors” and “Management’s Discussion and Analysis of Results of Operations and Financial Condition” in our 2017 Form 10-K, filed with the Securities and Exchange Commission on February 21, 2018, and subsequent quarterly reports on Form 10-Q. The forward-looking statements included in this document are made only as of the date of this document, and we undertake no obligation to update these statements to reflect subsequent events or circumstances, other than as may be required by law.

Use of Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures as defined by SEC rules. We report financial results in conformity with accounting principles generally accepted in the United States of America, or GAAP, and also communicate with investors using certain non-GAAP financial measures. These non-GAAP financial measures are not in accordance with, nor are they a substitute for or superior to, the comparable GAAP financial measures. These non-GAAP financial measures are intended to supplement presentation of our financial results that are prepared in accordance with GAAP. Based upon feedback from investors and financial analysts, we believe that the supplemental non-GAAP financial measures we provide are useful to their assessment of our performance and operating trends, as well as liquidity. In accordance with Regulation G, reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures, including limitations associated with these non-GAAP financial measures, are provided in Appendix B of this document.

Overview: creating superior long-term value

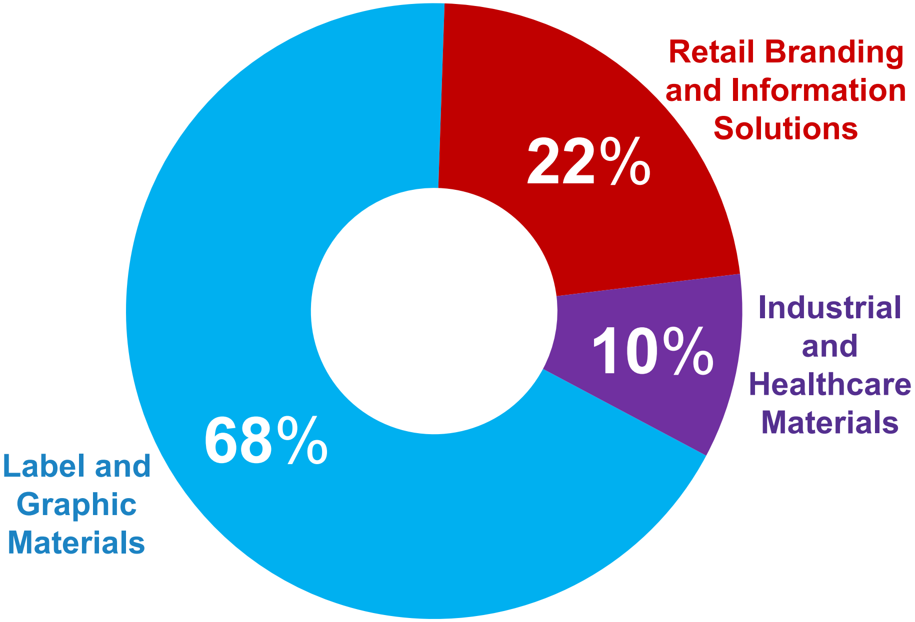
- **#1 player in primary businesses, leveraging strong competitive advantages**
- **Large, growing, diverse end markets; catalysts for consistent GDP+ growth**
- **Successfully executing key strategies:**
  - Driving outsized growth in high value categories
  - Growing profitably in our base business
  - Continuing our relentless focus on productivity
  - Deploying capital effectively
- **Consistently delivering against our long-term financial targets… highly disciplined capital allocator**

AVERY DENNISON

Avery Dennison at a glance

- **Recognized industry leader**
  - More than 30,000 employees
  - Operations in more than 50 countries
  - Manufacturer of pressure-sensitive and functional materials and labeling solutions for the retail apparel market
- **Sustainable competitive advantages**
  - Global scale; 180+ operating locations
  - Materials science capabilities focused on pressure-sensitive adhesives
  - Innovative process technology
  - Operational and commercial excellence

Sales by Segment(1)

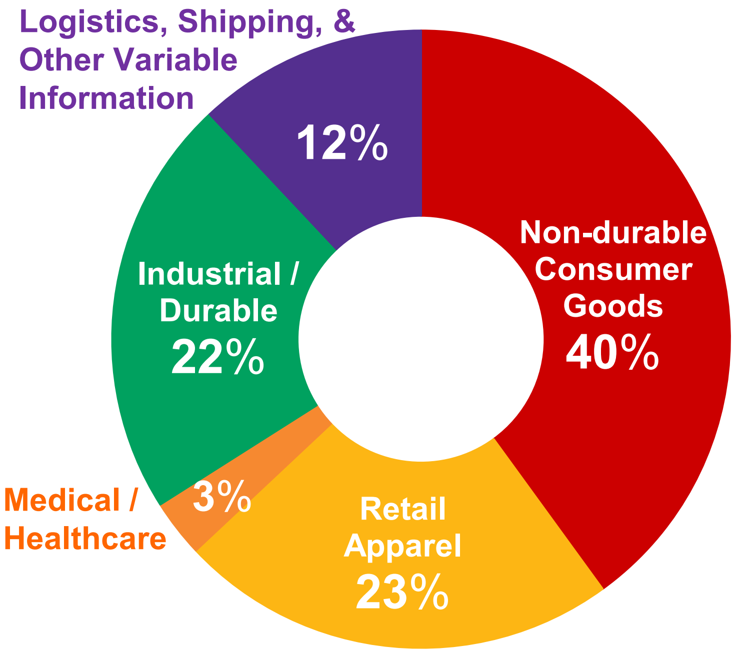


2018 Net Sales = $7.2 billion

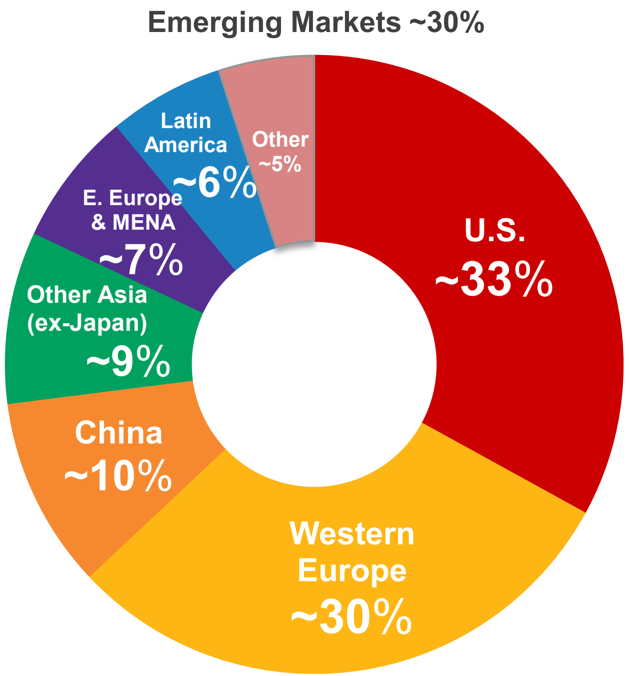
(1) Pie chart based on FY 2018 net sales

Broad exposure to diverse end markets

2018 Sales by Product Category



2018 Sales by Geography[1]



(1) Sales by end demand region. Other includes Canada, Japan, South Africa, Australia, and New Zealand

Catalysts for consistent GDP+ top line growth

High Value Categories ~$2.6B

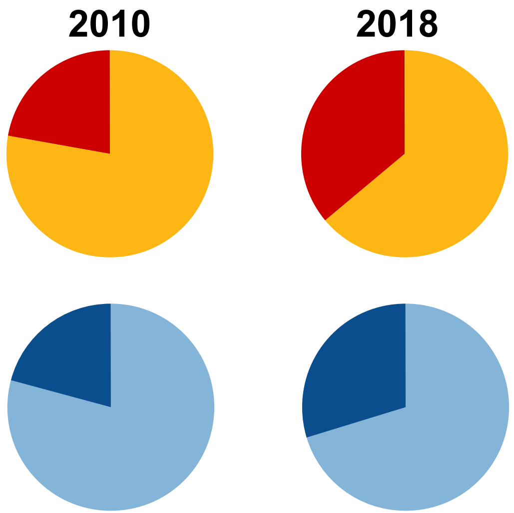
- Secular trends drive GDP+ growth
- Tapes, RFID, Graphics, Specialty Labels

Emerging Markets ~$2.1B(2)

- Further penetration of self-adhesive label technology
- Increased per capita consumption

Portfolio Shift

(% of total sales(1))



~55% of total sales tied to one or both of these two categories

(1) Constant currency
(2) Approximately one-third of emerging market sales are in high value categories, which are included in the ~$2.6B above.

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Achievement of long-term financial targets expected to drive continued superior value creation

	2017 – 2021 TARGETS	2017 – 2018 RESULTS
Sales Growth	4%+ Organic(1) 5%+ Ex. Currency(1,2)	4.8% Organic(3) 7.5% Ex. Currency(3)
Operating Margin	11%+ in 2021	10.0% in 2018 Adj(4): 11.0% in 2018
Adjusted EPS Growth	10%+(1)	23%(3)
Return on Total Capital (ROTC)	17%+ in 2021	19% in 2018
Net Debt to Adjusted EBITDA	2.3x to 2.6x(5)	1.8x at Y/E 2018

- First committed externally to long-term targets in 2012
- Targets designed to deliver above-average cumulative EVA growth vs. capital market peers and superior TSR
- Substantially met or exceeded all long-term goals for last two cycles *(2012-2015 and 2014-2018)*

(1) Reflects five-year compound annual growth rates, with 2016 as the base period
(2) Impact of closed acquisitions as of 3/8/2017 is approximately 1 point of growth
(3) Reflects two-year compound annual growth rates, with 2016 as the base period
(4) Excluding restructuring charges and other items
(5) Reflects adjustment of target (from a range of 1.7x to 2.0x) in July 2018, following decision to fully fund and terminate our U.S. pension plan. See Form 8-K filed July 11, 2018.

Targeting continued organic growth and margin expansion across all segments

Segment	Metric	2017 – 2021 TARGETS	2017 – 2018 RESULTS	Commentary
LGM	Organic Sales Growth	4-5%(1)	5%(2)	• Six consecutive years of 4%+ organic growth with significant margin expansion • Continued strong operating margins during highly inflationary period ('17-'18)
LGM	Adjusted Operating Margin	12.5-13.5%	13.0% in 2018	
IHM	Organic Sales Growth	4-5%+(1)	2%(2)	• Recent organic growth mid-single digits for Industrials and Healthcare outside of China • Margin turnaround (post-acquisitions) started 2H-18; expect 10% adj. margin in '19
IHM	Adjusted Operating Margin	12.5-13.5%+	8.9% in 2018	
RBIS	Organic Sales Growth	3-4%(1)	6%(2)	• RFID expected to continue growing 15-20%+; above target growth in last two years driven by share gain in base • Achieving margin target ahead of schedule
RBIS	Adjusted Operating Margin	10-12%	11.3% in 2018	

(1) Reflects five-year compound annual growth rates, with 2016 as the base period
(2) Reflects two-year compound annual growth rates, with 2016 as the base period

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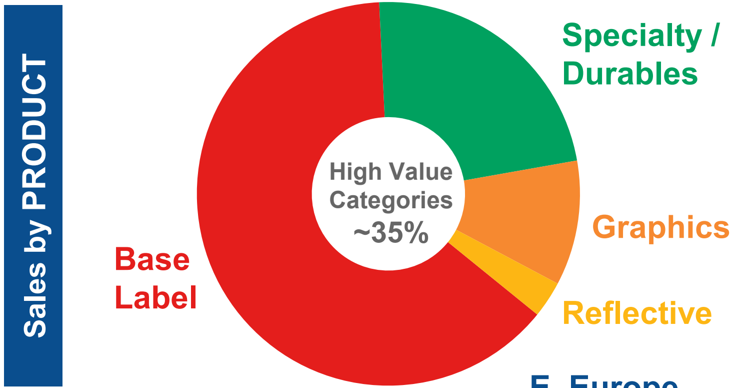
Disciplined approach to capital allocation

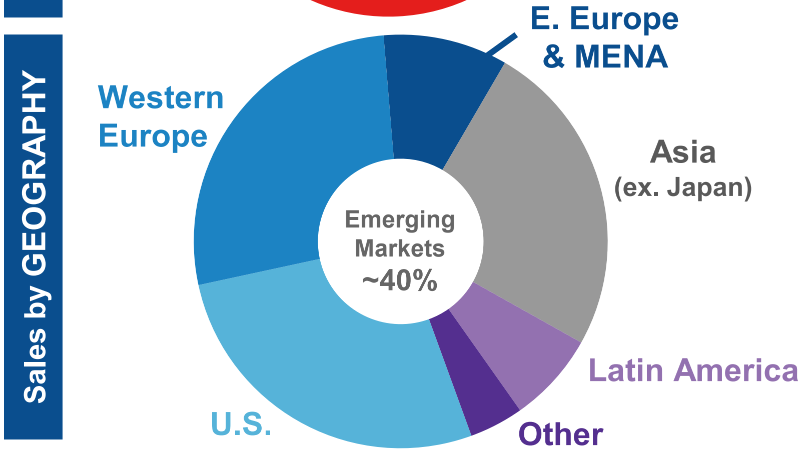
5-Year Capital Deployment ($ in millions)	**2017 — 2021 Cumulative Target**	**% of Total**	
Capital Sources:			
Leverage Capacity (2016)	~$450		
Add'l Leverage Capacity (EBITDA Growth)	up to $800		
Cash Flow from Ops before Restructuring	$3,200 - $3,600		
Available Capital	$4,450 - $4,850		
		TARGET 2017 – 2021	**ACTUAL 2017 + 2018**
Capital Uses:			
Capex (net of asset sales)	~$1,250	**25% - 30%**	**27%**
Restructuring	~$150	**< 5%**	**3%**
Dividends	~$950	**~20%**	**19%**
Share Repurchases			*31%*
Acquisitions / Equity Investments			*19%*
Total Capital Available for Buyback/M&A	**$2,100 - $2,500**	**~50%**	**50%**

LGM at a glance

FINANCIAL SNAPSHOT

	2018	2021 Target
Sales	$ 4.9 bil.	n/a
Organic Sales Change	5.5%	4-5% CAGR
Adjusted Operating Margin	13.0%	12.5-13.5%





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LGM delivers consistent growth and high returns

- **Leader in growing self-adhesive labels industry (~2.5X next largest competitor)**
- **Clear and sustainable competitive advantages**
  - Global scale, materials science, and process technology
  - Operational and commercial excellence
- **Catalysts for growth above GDP and the industry**
  - Industry leading innovations driving decoration transfer
  - Unparalleled presence in emerging markets
  - Leveraging strengths to win in high value product categories
  - Disciplined approach to profitable growth in base business
- **Relentless focus on productivity and capital efficiency**

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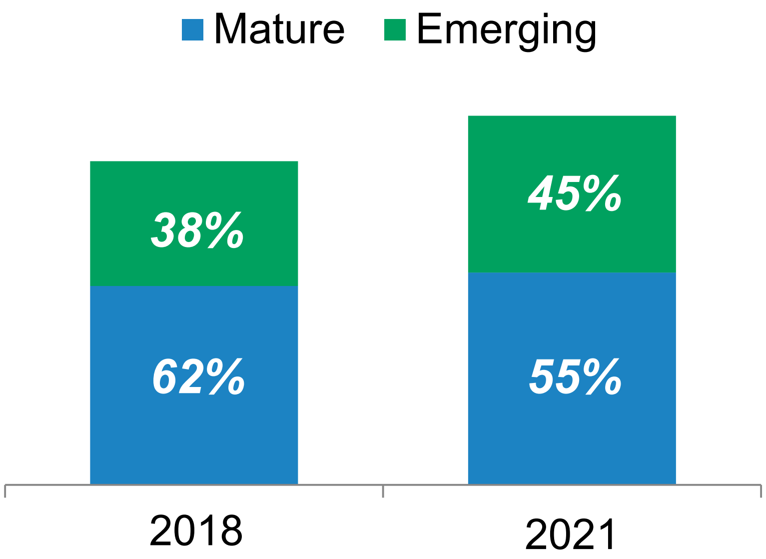
Leadership in emerging markets



- Emerging markets growing above GDP, driven by consumption trends and decoration transfer
- Penetration still low; consumption of 1 to 4 SQM per capita compared to >10 SQM in US/W. Europe

Opportunity for share gain in Graphics and Reflective

Product portfolio consists of pressure-sensitive films for:

- Advertising
- Signage
- Window Films / Architecture
- Fleet / Auto Wrapping

- ~$700 mil. business growing faster than segment avg.
- Global addressable market ~$4B, growing GDP+
- Targeting high single digit growth over the long term; gaining share through:
  - Leveraging Label and Packaging Materials foundation
  - Unique expertise in films and micro-replication technology
  - Strong distributor relationships

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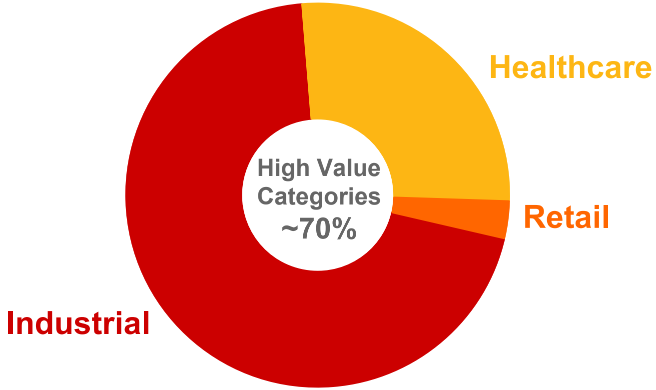
IHM at a glance

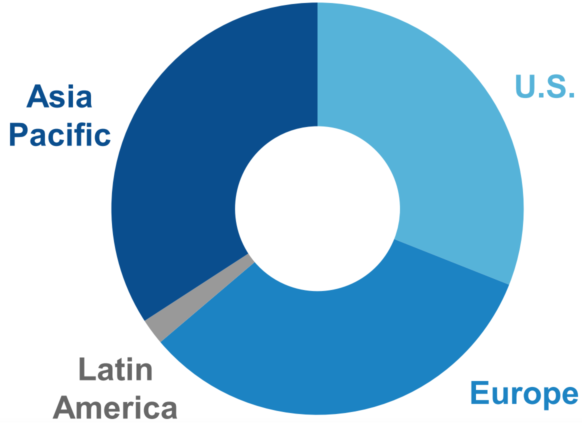
FINANCIAL SNAPSHOT

	2018	2021 Target
Sales	$ 695 mil.	n/a
Organic Sales Change	1.4%	4-5%+ CAGR
Adjusted Operating Margin	8.9%	12.5-13.5%+

Sales by PRODUCT



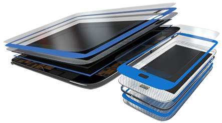
Sales by GEOGRAPHY



IHM positioned for superior long-term value creation

- **Application-based, specified functional materials businesses serving common markets**
- **Share gain opportunity in large, attractive markets**
  - Favorable secular trends drive GDP+ growth
  - Custom engineered solutions support higher margins and strong customer retention rate
- **Strong core capabilities; leveraging LGM's manufacturing/R&D strengths**
- **Compelling opportunity to invest and acquire; expanding scale/capabilities**

Key market segments: large profit pools growing GDP+



	Industrial				Healthcare	
INDUSTRY	**Automotive**	**Electronics/ Electrical**	**Building & Construction**	**General Industrial**	**Personal Care**	**Medical/ Wound Care**
Estimated Size[1]	~$4B	~$3B	~$3B	~$8B	<$1B	~$1B
LT Growth Outlook	4%-6%	2%-3%	5%-7%	1%-3%	2%-3%	4%-6%
Trend driving GDP+ growth	Light-weighting, demand for reduced noise/vibration	Smaller, more powerful handhelds	Energy efficiency, waterproofing, tape substitute for glue	n/a	n/a	Aging population, chronic disease
Application Solutions	• Wire harnessing • Noise/vibration dampening tapes	• Lens bonding • Heat mgmt. • EMI shielding	• HVAC & insulation • Flooring attaching • Window sealing	• Splicing & flexo • Packaging • Noise/vibration dampening	• Diaper closures • Hygiene packaging	• Wound dressing • Surgical drapes • Patches

(1) Estimated industry size includes tape and adhesive applications

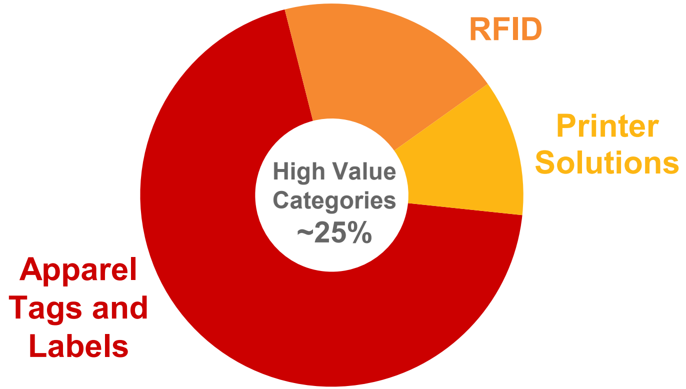
Sources: Marketline, S&P Capital IQ, IHS Global, and internal analysis

RBIS at a glance

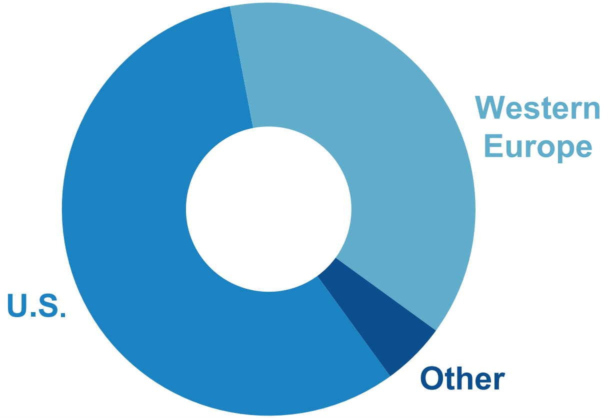
FINANCIAL SNAPSHOT

	2018	2021 Target
Sales	$ 1.6 bil.	n/a
Organic Sales Change	6.9%	3-4% CAGR
Adjusted Operating Margin	11.3%	10-12%

Sales by PRODUCT



Sales by END MARKET



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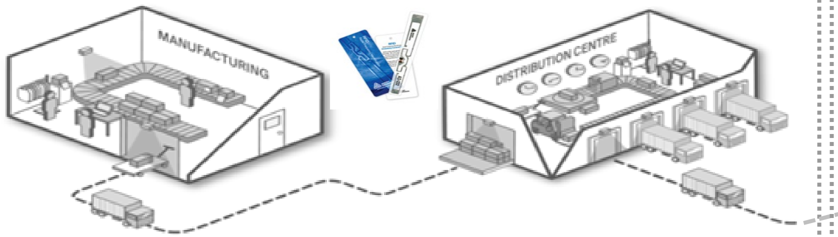
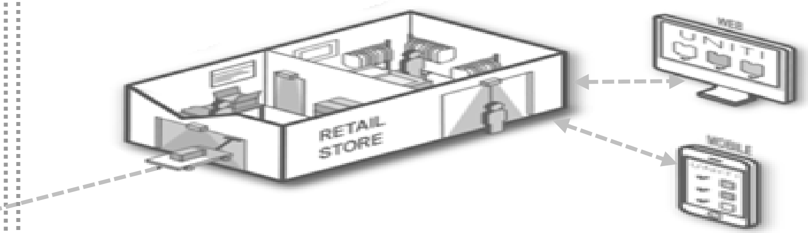
RBIS delivering on promise

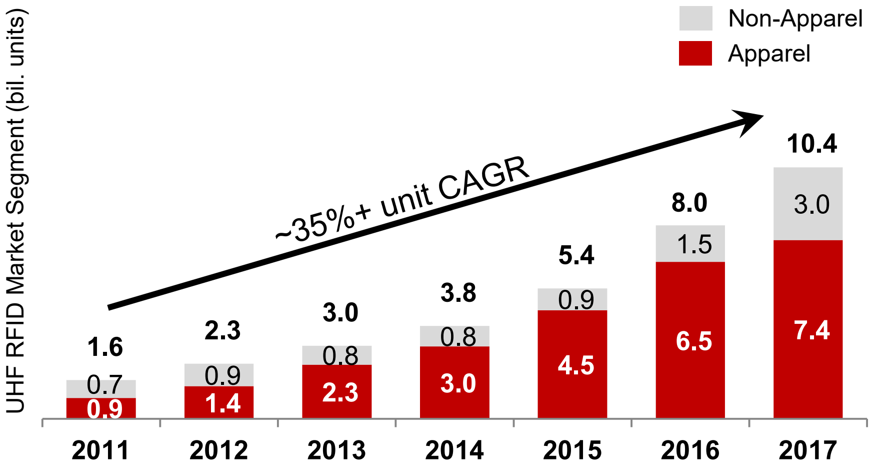
- Leading global player in branding and information solutions for apparel
- Attractive growth catalysts in RFID and external embellishments
- Base apparel business positioned for sustained profitable growth
    - Dramatically improved delivery cycle times; flexibility now a competitive advantage
    - Significant reductions to fixed cost structure enhanced margin and competitiveness
    - Continued focus on cost reduction through productivity initiatives and localized material sourcing
    - Core volume growth ahead of apparel unit imports, as new business model has resonated with customers

RFID – Industry benefits and RBIS competitive advantages

	Apparel Supply Chain	In-Store + Web/Mobile
Process		
RFID Benefits	• Reduced errors, cost, losses • Seamless integration into existing trim • 80% improvement on ship/pack accuracy	• 99+% inventory accuracy (vs. ~65% without RFID) • 60-80% reduction in out-of-stock items • 2-12% overall sales lift, 10% shrink reduction • Enables omni-channel retail and Internet of Things
Competitive Advantages	• 800+ RFID patents • Global service bureaus, world-class quality • In-plant capabilities for speed advantage	• Proven five-step adoption process • Most experienced market development team • Global PMO, piloting, advance ROI model

RFID adoption driving significant growth

Industry Growth(1)



(1) Source: IDTechEx (data as of May 2018)

- ~$300 mil. business, growing 15-20%+
- Adds ~1 point to annual Company growth
- Apparel is leading market for UHF RFID today
  - Key enabler for omni-channel retailing
  - AVY has >50% market share
- Promising early stage developments outside apparel
  - Food, beauty, aviation, logistics

Investing in innovation / technology / capacity to ensure continued market leadership

Appendix A

Full Year 2018 Results
2019 EPS Guidance
Progress Against 2018 Targets
M&A Summary (2016-2017)

2018 represented seventh consecutive year of strong top-line growth, margin expansion, and double-digit adjusted EPS growth

Met or exceeded five-year targets through 2018; on track to achieve 2021 goals

Sales up 8.2%; organic growth of 5.5%, led by high value categories and emerging markets

Continued to deliver strong margins while facing significant raw material inflation

- Reported operating margin of 10.0%, down 10 bps reflecting higher restructuring charges
- Adjusted operating margin up 30 bps to 11.0%

Reported EPS of $5.28, up 69% *(YOY trend impacted by P/Y tax reform and 2018 pension termination)*

Adjusted EPS (non-GAAP) of $6.06, up 21%

ROTC (non-GAAP) of 19%; free cash flow of $429 mil., with higher capital investment

Disciplined execution of capital allocation strategy

- Accelerated share buyback in second half (FY shareholder distributions of $568 mil., ~2X prior year)

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Full Year 2018 Segment Overview and 2019 Outlook

LGM delivered another year of strong top-line growth, while maintaining strong operating margins despite significant raw material inflation

- Continued above-average growth from emerging markets and high value categories, with solid growth in the base

RBIS again delivered strong top-line growth and significant margin expansion

- Accelerated growth from RFID and continued share gain in the base

IHM making progress with turnaround during challenging year; remain confident in ability to achieve 2021 targets

Targeting continued advancement toward long-term goals in 2019

- Organic top-line growth of ~4%, reflecting uncertain economic environment
- Reported EPS of $2.70 to $2.95; adjusted EPS of $6.45 to $6.70
  - Midpoint of adj. EPS guidance up ~9%, or ~12% before the impact of currency translation

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2019 EPS Guidance

Reported EPS	**\$2.70 – \$2.95**
Add Back:	
Est. pension settlement charge in Q1	**~\$3.55**
Est. restructuring costs and other items	**~\$0.20**
Adjusted EPS (non-GAAP)	**\$6.45 – \$6.70**

Contributing Factors to 2019 Results

- Reported sales growth of ~1.5%, including ~2.5 pt headwind from currency translation at recent rates
  - Organic sales change of ~4%
- Currency translation headwind to operating income of ~\$25 mil., assuming recent rates
- Incremental savings of ~\$35 mil. from restructuring actions, net of transition costs
- Adjusted tax rate in the mid-twenty percent range
- Interest expense of \$75 mil. to \$80 mil.
- Fixed and IT capital spend of \$275 mil. to \$285 mil.
- Average shares outstanding (assuming dilution) of 84 mil. to 85 mil.
- Adjusted earnings growth weighted to the back half of the year due to timing of currency translation headwinds and restructuring actions

Achieved our five-year targets through 2018

	2014 – 2018 TARGETS	2014 – 2018 RESULTS
Organic Sales Growth(1)	**4–5%**	**4.3%**
Operating Margin in 2018	**9–10%** (up ~2 pts vs. 2013)	**10.0%** Adj.(2): 11.0%
Adjusted EPS Growth(1)	**12–15%+**	**18%**
Return on Total Capital (ROTC) in 2018	**16%+**	**19%**
Net Debt to Adjusted EBITDA in 2018	**1.7x to 2.0x**	**1.8x** at Y/E

(1) Reflects five-year compound annual growth rates, with 2013 as the base period
(2) Excluding restructuring charges and other items

M&A accelerates strategy

	Segment	Annual Sales at Purchase	Strategic Fit
Yongle Tape Co. Ltd. (closed Jun. 2017)	IHM *(China)*	~$160M	• Expands capabilities in high value cable harnessing business • Key access to auto OEMs and tiers
Mactac Europe (closed Aug. 2016)	LGM/IHM *(Belgium)*	~$140M	• Products and capabilities complementary to existing graphics business • Loyal customer base, strong brand
Hanita Coatings (closed Mar. 2017)	LGM *(Israel)*	~$50M	• Access to window films and topcoats • Accelerate sales w/ global infrastructure • Strong tradition of R&D
Finesse Medical (closed May 2017)	IHM *(Ireland)*	~$17M	• Advanced technologies in wound care and skin treatment
Ink Mill Corp. (closed Sep. 2016)	LGM *(US)*	immaterial	• Range of UV and UVLED-curable and eco-solvent inks
PragmatIC (closed Oct. 2016)	RBIS *(UK)*	immaterial	• Small equity investment to develop lower cost intelligent label inlays and tags

Targeting high value categories and near adjacencies that leverage our global scale and core competencies

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Appendix B

Reconciliation of GAAP to Non-GAAP Financial Measures

Use of Non-GAAP Financial Measures

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Our non-GAAP financial measures exclude the impact of certain events, activities or strategic decisions. The accounting effects of these events, activities or decisions, which are included in the GAAP financial measures, may make it difficult to assess our underlying performance in a single period. By excluding the accounting effects, both positive or negative, of certain items (e.g., restructuring charges, legal settlements, certain effects of strategic transactions and related costs, losses from debt extinguishments, gains or losses from curtailment or settlement of pension obligations, gains or losses on sales of certain assets, and other items), we believe that we are providing meaningful supplemental information that facilitates an understanding of our core operating results and liquidity measures. These non-GAAP financial measures are used internally to evaluate trends in our underlying performance, as well as to facilitate comparison to the results of competitors for a single period. While some of the items we exclude from GAAP financial measures recur, they tend to be disparate in amount, frequency, or timing.

We use the following non-GAAP financial measures in this presentation:

- *Sales change ex. currency* refers to the increase or decrease in sales excluding the estimated impact of foreign currency translation and currency adjustment for transitional reporting of highly inflationary economies (Argentina). The estimated impact of foreign currency translation is calculated on a constant currency basis, with prior period results translated at current period average exchange rates to exclude the effect of currency fluctuations.
- *Organic sales change* refers to sales change ex. currency, excluding the estimated impact of product line exits, acquisitions and divestitures, and, where applicable, the extra week in our fiscal year.

We believe that sales change ex. currency and organic sales change assist investors in evaluating the sales change from the ongoing activities of our businesses and enhance their ability to evaluate our results from period to period.

- *Adjusted operating income* refers to income before taxes, interest expense, other non-operating expense, and other expense, net.
- *Adjusted operating margin* refers to adjusted operating income as a percentage of sales.
- *Adjusted tax rate* refers to the full-year GAAP tax rate, adjusted to exclude certain unusual or infrequent events that are expected to significantly impact the GAAP tax rate, such as completion of our 2017 TCJA provisional estimate, impacts related to our U.S. pension plan termination, and the effects of discrete tax planning actions.
- *Adjusted net income* refers to income before taxes, tax-effected at the adjusted tax rate, and adjusted for tax-effected restructuring charges and other items.
- *Adjusted net income per common share, assuming dilution (adjusted EPS)* refers to adjusted net income divided by weighted average number of common shares outstanding, assuming dilution.

We believe that adjusted operating margin, adjusted net income, and adjusted EPS assist investors in understanding our core operating trends and comparing our results with those of our competitors.

- *Adjusted EBITDA* refers to income before taxes adjusted for interest expense, other non-operating expense, depreciation and amortization, excluding restructuring charges and other items.
- *Net debt to adjusted EBITDA* ratio refers to total debt (including capital leases) less cash and cash equivalents, divided by adjusted EBITDA. We believe that the net debt to adjusted EBITDA ratio assists investors in assessing our leverage position.
- *Return on total capital* refers to income from continuing operations excluding the expense and tax benefit of debt financing divided by the average of beginning and ending invested capital. *Adjusted ROTC* refers to ROTC adjusted for the impact of the TCJA and 2018 pension plan settlements. We believe that ROTC and adjusted ROTC assist investors in understanding our ability to generate returns from our capital.
- *Free cash flow* refers to cash flow provided by operating activities, less payments for property, plant and equipment, software and other deferred charges, plus proceeds from sales of property, plant and equipment, plus (minus) net proceeds from sales (purchases) of investments and proceeds from insurance. Free cash flow is also adjusted for the cash contributions related to the termination of our U.S. pension plan. We believe that free cash flow assists investors by showing the amount of cash we have available for debt reductions, dividends, share repurchases, and acquisitions.

Organic Sales Change – Avery Dennison

($ in millions)	2013	2014	2015	2016	2017	2018	2014-2018 5-Yr CAGR	2017-2018 2-Yr CAGR
Net sales	$6,140.0	$6,330.3	$5,966.9	$6,086.5	$6,613.8	$7,159.0		
Reported sales change	4.7%	3.1%	(5.7%)	2.0%	8.7%	8.2%		
Foreign currency translation	0.1%	1.1%	8.6%	2.6%	(0.5%)	(1.4%)		
Sales change ex. currency[1]	4.8%	4.2%	2.9%	4.6%	8.2%	6.9%	5.3%	7.5%
Extra week impact		~(1.2%)	~1.2%					
Acquisitions/Divestitures			0.6%	(0.7%)	(3.9%)	(1.4%)		
Organic sales change[1]	4.8%	3.1%	4.6%	3.9%	4.2%	5.5%	4.3%	4.8%

[1] Totals may not sum due to rounding and other factors.

Organic Sales Change by Segment

($ in millions)

Label and Graphic Materials	2012	2013	2014	2015	2016	2017	2018
Net sales	$3,959.8	$4,137.3	$4,298.7	$4,032.1	$4,187.3	$4,511.7	$4,851.1
Reported sales change		4.5%	3.9%	(6.2%)	3.8%	7.7%	7.5%
Foreign currency translation		0.4%	1.6%	10.2%	3.0%	(0.8%)	(1.9%)
Sales change ex. currency[1]		4.9%	5.5%	4.0%	6.8%	6.9%	5.7%
Extra week impact			~(1.2%)	~1.2%			
Acquisitions		0.2%	0.1%		(1.4%)	(2.7%)	(0.2%)
Organic sales change[1]		5.1%	4.4%	5.2%	5.5%	4.2%	5.5%

Retail Branding & Information Solutions	2012	2013	2014	2015	2016	2017	2018
Net sales	$1,462.6	$1,534.9	$1,516.0	$1,443.4	$1,445.4	$1,511.2	$1,613.2
Reported sales change		4.9%	(1.2%)	(4.8%)	0.1%	4.6%	6.7%
Foreign currency translation			0.9%	3.9%	1.8%	0.4%	0.2%
Sales change ex. currency[1]		4.9%	(0.3%)	(0.9%)	1.9%	5.0%	6.9%
Extra week impact			~(1.2%)	~1.2%			
Product line divestiture				2.4%	1.6%		
Organic sales change[1]		4.9%	(1.6%)	2.7%	3.5%	5.0%	6.9%

Industrial and Healthcare Materials	2012	2013	2014	2015	2016	2017	2018
Net sales	$ 441.1	$ 467.8	$ 515.6	$ 491.4	$ 453.8	$ 590.9	$ 694.7
Reported sales change		6.1%	10.2%	(4.7%)	(7.7%)	30.2%	17.6%
Foreign currency translation		0.4%	0.8%	8.7%	1.7%	(0.4%)	(1.5%)
Sales change ex. currency[1]		6.5%	11.0%	4.0%	(6.0%)	29.9%	16.1%
Extra week impact			~(1.2%)	~1.2%			
Acquisitions		0.9%			(1.6%)	(27.9%)	(14.7%)
Organic sales change[1]		7.4%	9.9%	5.2%	(7.5%)	2.0%	1.4%

[1] Totals may not sum due to rounding and other factors.

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Adjusted Net Income

($ in millions)	2013	2014	2015	2016	2017	2018
As reported net income from continuing operations	$241.7	$247.3	$274.4	$320.7	$281.8	$467.4
Adjustments[1]	$ 2.6	$ 3.8	$ (0.6)	n/a	n/a	n/a
Previously reported net income from continuing operations	244.3	251.1	273.8	320.7	281.8	467.4
Non-GAAP adjustments:						
Restructuring charges and other items [2]	$ 36.6	$ 68.2	$ 68.3	$ 65.2	$ 36.5	$ 69.9
Pension plan settlements						$ 93.7
Tax benefit from pension plan contributions [3][4]						$ (31.0)
Tax benefit from pension plan settlements						$ (19.3)
Tax benefit from discrete foreign tax planning action						$ (31.0)
Tax effect on restructuring charges and other items and impact of adjusted tax rate	$ (12.3)	$ (21.3)	$ (22.6)	$ (21.4)	$ (10.2)	$ (9.2)
TCJA provisional estimate[4]					$172.0	$ (3.7)
Impact of previously planned repatriation of foreign earnings for Q4 2017					$ (29.4)	$ -
Adjusted net income from continuing operations (non-GAAP)	$268.6	$298.0	$319.5	$364.5	$450.7	$536.8

The adjusted tax rate was 25% for the three and twelve months ended Dec. 29, 2018, and 28% for the three and twelve months ended Dec. 30, 2017.

(1) GAAP adjustments for 2013-2015 reflect the previously disclosed impact of the third quarter of 2015 revision to certain benefit plan balances, which had an immaterial impact on the non-GAAP amounts.

(2) Includes restructuring charges, Argentine peso remeasurement transition loss, other restructuring-related charge, transaction costs, reversal of acquisition-related contingent consideration, and net gain on sales of assets.

(3) Tax benefits from the deduction of the third quarter U.S. pension contributions on the company's 2017 U.S. income tax return.

(4) In the fourth quarter of 2018, we finalized our provisional estimate as defined under SEC Staff Accounting Bulletin No. 118 related to the U.S. Tax Cuts and Jobs Act ("TCJA") of 2017.

Adjusted EPS

	2013	2014	2015	2016	2017	2018	2014-2018 5-Yr CAGR	2017-2018 2-Yr CAGR
As reported net income per common share from continuing operations, assuming dilution	$ 2.41	$ 2.58	$ 2.95	$ 3.54	$ 3.13	$ 5.28		
Adjustments[1]	$ 0.03	$ 0.04	$ -	n/a	n/a	n/a		
Previously reported net income per common share from continuing operations, assuming dilution	$ 2.44	$ 2.62	$ 2.95	$ 3.54	$ 3.13	$ 5.28		
Non-GAAP adjustments per common share, net of tax:								
Restructuring charges and other items [2]	$ 0.24	$ 0.49	$ 0.49	$ 0.48	$ 0.29	$ 0.68		
Pension plan settlements						$ 0.84		
Tax benefit from discrete foreign tax planning action						$ (0.35)		
TCJA provisional estimate [3]					$ 1.91	$ (0.39)		
Impact of previously planned repatriation of foreign earnings for Q4 2017					$ (0.33)	$ -		
Adjusted net income per common share from continuing operations, assuming dilution (non-GAAP)	$ 2.68	$ 3.11	$ 3.44	$ 4.02	$ 5.00	$ 6.06	**17.7%**	**22.8%**

The adjusted tax rate was 25% for the three and twelve months ended Dec. 29, 2018, and 28% for the three and twelve months ended Dec. 30, 2017.

(1) GAAP adjustments for 2013-2015 reflect the previously disclosed impact of the third quarter of 2015 revision to certain benefit plan balances, which had an immaterial impact on the non-GAAP amounts.

(2) Includes restructuring charges, Argentine peso remeasurement transition loss, other restructuring-related charge, transaction costs, reversal of acquisition-related contingent consideration, and net gain on sales of assets.

(3) In the fourth quarter of 2018, we finalized our provisional estimate as defined under SEC Staff Accounting Bulletin No. 118 related to the U.S. Tax Cuts and Jobs Act ("TCJA") of 2017.

Adjusted Operating Margin – Avery Dennison

($ in millions)	2013	2014	2015	2016	2017	2018
Net sales	$6,140.0	$6,330.3	$5,966.9	$6,086.5	$6,613.8	$7,159.0
Operating income from continuing operations before interest expense, other non-operating expense and taxes, as reported[1]	$ 440.5	$ 446.3	$ 493.5	$ 590.2	$ 670.5	$ 718.1
Adjustments[2]	$ (4.8)	$ 3.6	$ (1.0)	n/a	n/a	n/a
Operating income from continuing operations before interest expense, other non-operating expense and taxes, previously reported	$ 435.7	$ 449.9	$ 492.5	$ 590.2	$ 670.5	$ 718.1
Operating margins, as reported	**7.2%**	**7.1%**	**8.3%**	**9.7%**	**10.1%**	**10.0%**
Non-GAAP adjustments:						
Restructuring charges:						
Severance and related costs	$ 27.2	$ 54.7	$ 52.5	$ 14.7	$ 31.2	$ 63.0
Asset impairment and lease cancellation charges	$ 13.1	$ 11.4	$ 7.0	$ 5.2	$ 2.2	$ 10.7
Other items	$ (2.1)	$ 0.5	$ 5.0	$ 3.9	$ 3.1	$ (3.8)
Adjusted operating income from continuing operations before interest expense, other non-operating expense and taxes (non-GAAP)	$ 473.9	$ 516.5	$ 557.0	$ 614.0	$ 707.0	$ 788.0
Adjusted operating margins (non-GAAP)	**7.7%**	**8.2%**	**9.3%**	**10.1%**	**10.7%**	**11.0%**

(1) In the first quarter of 2018, we adopted Accounting Standards Update (ASU) No. 2017-07, Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost, on a retrospective basis. This ASU requires employers with defined benefit plans to present the components of net periodic benefit cost other than service cost, outside of operating income. Prior year results have been reclassified as required by the guidance.

(2) GAAP adjustments for 2013-2015 reflect the previously disclosed impact of the third quarter of 2015 revision to certain benefit plan balances, which had an immaterial impact on the non-GAAP amounts.

Adjusted Operating Margin – LGM

($ in millions)	2013	2014	2015	2016	2017	2018
Net sales	$4,137.3	$4,298.7	$4,032.1	$4,187.3	$4,511.7	$4,851.1
Operating income from continuing operations before interest expense, other non-operating expense and taxes, as reported[1]	$ 419.4	$ 409.4	$ 464.6	$ 522.0	$ 577.4	$ 568.2
Operating margins, as reported	**10.1%**	**9.5%**	**11.5%**	**12.5%**	**12.8%**	**11.7%**
Non-GAAP adjustments:						
Restructuring charges:						
Severance and related costs	$ 6.9	$ 38.2	$ 12.8	$ 5.8	$ 14.5	$ 50.3
Asset impairment and lease cancellation charges	$ 3.7	$ 1.9	$ 0.8	$ 2.7	$ 0.3	$ 7.5
Other items	$ -	$ -	$ (1.7)	$ 4.5	$ (0.3)	$ 4.0
Adjusted operating income from continuing operations before interest expense, other non-operating expense and taxes (non-GAAP)	$ 430.0	$ 449.5	$ 476.5	$ 535.0	$ 591.9	$ 630.0
Adjusted operating margins (non-GAAP)	**10.4%**	**10.5%**	**11.8%**	**12.8%**	**13.1%**	**13.0%**

[1] In the first quarter of 2018, we adopted Accounting Standards Update (ASU) No. 2017-07, Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost, on a retrospective basis. This ASU requires employers with defined benefit plans to present the components of net periodic benefit cost other than service cost, outside of operating income. Prior year results have been reclassified as required by the guidance.

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Adjusted Operating Margin – RBIS

($ in millions)	2013	2014	2015	2016	2017	2018
Net sales	$1,534.9	$1,516.0	$1,443.4	$1,445.4	$1,511.2	$1,613.2
Operating income from continuing operations before interest expense, other non-operating expense and taxes, as reported[1]	$ 65.9	$ 73.3	$ 59.2	$ 105.0	$ 126.7	$ 170.4
Operating margins, as reported	**4.3%**	**4.8%**	**4.1%**	**7.3%**	**8.4%**	**10.6%**
Non-GAAP adjustments:						
Restructuring charges:						
Severance and related costs	$ 19.6	$ 16.0	$ 34.1	$ 8.4	$ 16.5	$ 8.8
Asset impairment and lease cancellation charges	$ 8.5	$ 5.3	$ 1.6	$ 2.1	$ 1.9	$ 3.1
Other items	$ (6.9)	$ 0.5	$ 6.5	$ (0.7)	$ (0.3)	$ (0.5)
Adjusted operating income from continuing operations before interest expense, other non-operating expense and taxes (non-GAAP)	$ 87.1	$ 95.1	$ 101.4	$ 114.8	$ 144.8	$ 181.8
Adjusted operating margins (non-GAAP)	**5.7%**	**6.3%**	**7.0%**	**7.9%**	**9.6%**	**11.3%**

[1] In the first quarter of 2018, we adopted Accounting Standards Update (ASU) No. 2017-07, Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost, on a retrospective basis. This ASU requires employers with defined benefit plans to present the components of net periodic benefit cost other than service cost, outside of operating income. Prior year results have been reclassified as required by the guidance.

Adjusted Operating Margin – IHM

($ in millions)	2013	2014	2015	2016	2017	2018
Net sales	$ 467.8	$ 515.6	$ 491.4	$ 453.8	$ 590.9	$ 694.7
Operating income from continuing operations before interest expense, other non-operating expense and taxes, as reported[1]	$ 42.1	$ 47.6	$ 59.6	$ 56.1	$ 52.6	$ 62.9
Operating margins, as reported	**9.0%**	**9.2%**	**12.1%**	**12.4%**	**8.9%**	**9.1%**
Non-GAAP adjustments:						
Restructuring charges:						
Severance and related costs	$ 0.4	$ 0.1	$ 3.4	$ 0.5	$ 0.2	$ 3.9
Asset impairment and lease cancellation charges	$ 0.3	$ 4.2	$ 4.6	$ 0.4	$ -	$ 0.1
Other items	$ -	$ -	$ -	$ 1.0	$ 3.5	$ (5.0)
Adjusted operating income from continuing operations before interest expense, other non-operating expense and taxes (non-GAAP)	$ 42.8	$ 51.9	$ 67.6	$ 58.0	$ 56.3	$ 61.9
Adjusted operating margins (non-GAAP)	**9.1%**	**10.1%**	**13.8%**	**12.8%**	**9.5%**	**8.9%**

[1] In the first quarter of 2018, we adopted Accounting Standards Update (ASU) No. 2017-07, Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost, on a retrospective basis. This ASU requires employers with defined benefit plans to present the components of net periodic benefit cost other than service cost, outside of operating income. Prior year results have been reclassified as required by the guidance.

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Return on Total Capital (ROTC)

($ in millions)	2013	2014	2015	2016	2017	2018	Adjusted ROTC 2017	Adjusted ROTC 2018
As reported net income from continuing operations	$ 241.7	$ 247.3	$ 274.4	$ 320.7	$ 281.8	$ 467.4	$ 281.8	$ 467.4
TCJA provisional estimate[1]							$ 172.0	
Impact of previously planned repatriation of foreign earnings for Q4 2017							$ (29.4)	
Pension plan settlements								$ 93.7
Tax benefit from pension plan contributions[2]								$ (31.0)
Tax benefit from pension plan settlements								$ (19.3)
Interest expense, net of tax benefit	$ 40.2	$ 43.4	$ 40.6	$ 40.3	$ 30.1	$ 49.5	$ 45.4	$ 43.9
Effective Tax Rate	*34.0%*	*31.5%*	*32.9%*	*32.8%*	*52.2%*	*15.4%*	*28.0%*	*25.0%*
Income from continuing operations, excluding expense and tax benefit of debt financing (non-GAAP)	$ 281.9	$ 290.7	$ 315.0	$ 361.0	$ 311.9	$ 516.9	$ 469.8	$ 554.7
Total debt	$ 1,021.5	$ 1,144.4	$ 1,058.9	$ 1,292.5	$ 1,581.7	$ 1,966.2	$ 1,581.7	$ 1,966.2
Shareholders' equity	$ 1,468.1	$ 1,047.7	$ 965.7	$ 925.5	$ 1,046.2	$ 955.1	$ 1,046.2	$ 955.1
TCJA provisional estimate[1]							$ 172.0	
Impact of previously planned repatriation of foreign earnings for Q4 2017							$ (29.4)	
Pension plan settlements								$ 93.7
Tax benefit from pension plan contributions[2]								$ (31.0)
Tax benefit from pension plan settlements								$ (19.3)
Total debt and shareholders' equity	$ 2,489.6	$ 2,192.1	$ 2,024.6	$ 2,218.0	$ 2,627.9	$ 2,921.3	$ 2,770.5	$ 2,964.7
Return on Total Capital (ROTC) (non-GAAP)	**10.8%**	**12.4%**	**14.9%**	**17.0%**	**12.9%**	**18.6%**	**18.8%**	**19.3%**

[1] "Provision for income taxes" for the fourth quarter of 2017 includes the estimated impact of TCJA enacted in the U.S. on December 22, 2017. In the fourth quarter of 2018, we finalized our provisional estimate as defined under SEC Staff Accounting Bulletin No. 118 related to TCJA.

[2] Tax benefits resulting from the deduction of the third quarter 2018 pension contributions on the company's 2017 U.S. income tax return.

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Free Cash Flow

($ in millions)	2014	2015	2016	2017	2018
Net cash provided by operating activities[1]	$ 353.3	$ 472.5	$ 582.1	$ 645.7	$ 457.9
Purchases of property, plant and equipment	(147.9)	(135.8)	(176.9)	(190.5)	(226.7)
Purchases of software and other deferred charges	(27.1)	(15.7)	(29.7)	(35.6)	(29.9)
Proceeds from sales of property, plant and equipment	4.3	7.6	8.5	6.0	9.4
Sales (purchases) of investments and proceeds from insurance, net[1]	1.9	0.7	3.1	(3.9)	18.5
Plus: Pension plan contribution for plan termination	-	-	-	-	200.0
Plus: divestiture-related payments and free cash outflow from discontinued operations	0.2	0.1	-	-	-
Free Cash Flow (non-GAAP)	$ 184.7	$ 329.4	$ 387.1	$ 421.7	$ 429.2

[1] In the first quarter of 2018, we adopted ASU No. 2016-15, *Classification of Certain Cash Receipts and Cash Payments*, on a retrospective basis. This ASU reduces the diversity in the presentation and classification of certain cash receipts and cash payments in the statement of cash flows. Prior year results have been reclassified as required by the ASU.

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Net Debt to Adjusted EBITDA

($ in millions)	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	4-pt Avg.
Net sales	$1,572.1	$1,626.9	$1,679.5	$1,735.3	$1,776.4	$1,854.2	$1,759.7	$1,768.7	
As reported net income (loss)	$ 112.2	$ 120.9	$ 108.3	$ (59.6)	$ 125.2	$ 95.6	$ 149.5	$ 97.1	
Interest expense	$ 16.7	$ 16.2	$ 16.8	$ 13.3	$ 13.2	$ 14.3	$ 14.7	$ 16.3	
Other non-operating expense[(1)]	$ 3.5	$ 5.9	$ 3.7	$ 4.9	$ 3.3	$ 2.6	$ 9.0	$ 89.9	
Income taxes	$ 23.7	$ 28.6	$ 38.5	$ 216.9	$ 33.3	$ 43.9	$ 17.7	$ (9.5)	
Equity method investment net losses	$ -	$ -	$ -	$ -	$ 0.6	$ 0.4	$ 0.8	$ 0.2	
Operating income from continuing operations before interest expense, other non-operating expense and taxes	$ 156.1	$ 171.6	$ 167.3	$ 175.5	$ 175.6	$ 156.8	$ 191.7	$ 194.0	
Non-GAAP Adjustments:									
Restructuring charges:									
Severance and related costs	$ 5.7	$ 7.3	$ 8.7	$ 9.5	$ 4.3	$ 58.8	$ (7.1)	$ 7.0	
Asset impairment and lease cancellation charges	$ -	$ 0.3	$ 1.8	$ 0.1	$ 8.4	$ 0.6	$ 0.7	$ 1.0	
Other items	$ 0.8	$ 2.6	$ 0.3	$ (0.6)	$ 0.1	$ (2.3)	$ 3.5	$ (5.0)	
Adjusted operating income from continuing operations before interest expense, other non-operating expense and taxes (non-GAAP)	$ 162.6	$ 181.8	$ 178.1	$ 184.5	$ 188.4	$ 213.9	$ 188.7	$ 197.0	
Depreciation	$ 28.8	$ 30.9	$ 32.9	$ 34.0	$ 34.3	$ 34.8	$ 37.1	$ 35.3	
Amortization	$ 15.8	$ 15.3	$ 11.1	$ 9.9	$ 10.2	$ 10.0	$ 9.6	$ 9.7	
Adjusted net income before interest, taxes, other non-operating expense, depreciation & amortization ("EBITDA") (non-GAAP)	**$ 207.2**	**$ 228.0**	**$ 222.1**	**$ 228.4**	**$ 232.9**	**$ 258.7**	**$ 235.4**	**$ 242.0**	
Total Debt	$1,583.4	$1,720.3	$1,681.4	$1,581.7	$1,713.0	$1,674.0	$1,867.0	$1,966.2	
Less: Cash and cash equivalents	$ 294.9	$ 209.4	$ 232.3	$ 224.4	$ 187.5	$ 215.8	$ 217.6	$ 232.0	
Net Debt	**$1,288.5**	**$1,510.9**	**$1,449.1**	**$1,357.3**	**$1,525.5**	**$1,458.2**	**$1,649.4**	**$1,734.2**	
Net Debt to Adjusted LTM* EBITDA (Non-GAAP)					**1.7**	**1.5**	**1.7**	**1.8**	**1.7**

*LTM = Last twelve months

(1) In the first quarter of 2018, we adopted Accounting Standards Update (ASU) No. 2017-07, Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost, on a retrospective basis. This ASU requires employers with defined benefit plans to present the components of net periodic benefit cost other than service cost, outside of operating income. Prior year results have been reclassified as required by the guidance.