

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) **January 31, 2024**

AVERY DENNISON CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-7685
(Commission
File Number)

95-1492269
(IRS Employer
Identification No.)

8080 Norton Parkway
Mentor, Ohio
(Address of principal executive offices)

44060
(Zip Code)

Registrant's telephone number, including area code (440) 534-6000

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$1 par value	AVY	New York Stock Exchange
1.25% Senior Notes due 2025	AVY25	Nasdaq Stock Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Section 2 - Financial Information

Item 2.02 Results of Operations and Financial Condition.

Avery Dennison Corporation's (the "Company's") press release, dated January 31, 2024, announcing the Company's preliminary, unaudited financial results for the fourth quarter of 2023 and guidance for the 2024 fiscal year is attached hereto as Exhibit 99.1 and is being furnished (not filed) with this Form 8-K.

The Company's supplemental presentation materials, dated January 31, 2024, regarding the Company's preliminary, unaudited financial review and analysis for the fourth quarter of 2023 and guidance for the 2024 fiscal year is attached hereto as Exhibit 99.2 and is being furnished (not filed) with this Form 8-K. The press release and presentation materials are also available on the Company's website at www.investors.averydennison.com.

The Company will discuss its preliminary, unaudited financial results during a webcast and teleconference to be held on January 31, 2024, at 1:00 p.m. ET. To access the webcast and teleconference, please go to the Company's website at www.investors.averydennison.com.

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

- 99.1 [Press release, dated January 31, 2024, announcing the Company's preliminary, unaudited financial results for the fourth quarter and full year of 2023.](#)
- 99.2 [Supplemental presentation materials, dated January 31, 2024, regarding the Company's preliminary, unaudited financial review and analysis for the fourth quarter and full year of 2023.](#)

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995

Certain statements contained in this Form 8-K and the exhibits attached hereto 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.

The Company believes that the most significant risk factors that could affect its financial performance in the near term include: (i) the impacts to underlying demand for the Company's products from global economic conditions, political uncertainty, and changes in environmental standards and governmental regulations; (ii) competitors' actions, including pricing, expansion in key markets, and product offerings; (iii) the cost and availability of raw materials; (iv) the degree to which higher costs can be offset with productivity measures and/or passed on to customers through price increases, without a significant loss of volume; (v) foreign currency fluctuations; and (vi) the execution and integration of acquisitions.

Actual results and trends may differ materially from historical or anticipated results depending on a variety of factors, including but not limited to, risks and uncertainties related to the following:

- International Operations – worldwide and local economic and market conditions; changes in political conditions, including those related to China, the Russian invasion of Ukraine, the Israel-Hamas war and tensions in the Middle East; and fluctuations in foreign currency exchange rates and other risks associated with foreign operations, including in emerging markets
- The Company's Business – fluctuations in demand affecting sales to customers; fluctuations in the cost and availability of raw materials and energy; changes in the Company's markets due to competitive conditions, technological developments, environmental standards, laws and regulations, and customer preferences; the impact of competitive products and pricing; execution and integration of acquisitions; selling prices; customer and supplier concentrations or consolidations; financial condition of distributors; outsourced manufacturers; product and service

quality; timely development and market acceptance of new products, including sustainable or sustainably-sourced products; investment in development activities and new production facilities; successful implementation of new manufacturing technologies and installation of manufacturing equipment; the Company's ability to generate sustained productivity improvement; the Company's ability to achieve and sustain targeted cost reductions; collection of receivables from customers; and our environmental, social and governance practices

- Income Taxes – fluctuations in tax rates; changes in tax laws and regulations, and uncertainties associated with interpretations of such laws and regulations; retention of tax incentives; outcome of tax audits; and the realization of deferred tax assets
- Information Technology – disruptions in information technology systems or data security breaches, including cyber-attacks or other intrusions to network security; and successful installation of new or upgraded information technology systems
- Human Capital – recruitment and retention of employees and collective labor arrangements
- The Company's Indebtedness – credit risks; the Company's ability to obtain adequate financing arrangements and maintain access to capital; fluctuations in interest rates; volatility of financial markets; and compliance with the Company's debt covenants
- Ownership of the Company's Stock – potential significant variability of the Company's stock price and amounts of future dividends and share repurchases
- Legal and Regulatory Matters – protection and infringement of intellectual property; impact of legal and regulatory proceedings, including with respect to environmental, anti-corruption, health and safety, and trade compliance
- Other Financial Matters – fluctuations in pension costs and goodwill impairment

For a more detailed discussion of these factors, see Part I, Item 1A. "Risk Factors" and Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's 2022 Form 10-K, filed with the Securities and Exchange Commission on February 22, 2023, and subsequent quarterly reports on Form 10-Q. The forward-looking statements included in this Form 8-K are made only as of the date of this Form 8-K, and the Company undertakes no obligation to update these statements to reflect subsequent events or circumstances, other than as may be required by law.

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release, dated January 31, 2024, announcing the Company's preliminary, unaudited financial results for the fourth quarter and full year of 2023.
99.2	Supplemental presentation materials, dated January 31, 2024, regarding the Company's preliminary, unaudited financial review and analysis for the fourth quarter and full year of 2023.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AVERY DENNISON CORPORATION

Date: January 31, 2024

By: /s/ Gregory S. Lovins

Name: Gregory S. Lovins

Title: Senior Vice President and
Chief Financial Officer



For Immediate Release

AVERY DENNISON ANNOUNCES FOURTH QUARTER AND FULL YEAR 2023 RESULTS

Highlights:

- 4Q23 Reported EPS of \$1.77
 - 4Q23 Adjusted EPS (non-GAAP) of \$2.16, up 31%
- 4Q23 Net sales of \$2.1 billion, up 4%
 - Sales change ex. currency (non-GAAP) up 3%
 - Organic sales change (non-GAAP) up 1%
- FY23 Reported EPS of \$6.20
 - FY23 Adjusted EPS of \$7.90
- FY23 Net sales of \$8.4 billion, down 8%
 - Sales change ex. currency down 7%
 - Organic sales change down 8%
- FY24 Reported EPS guidance of \$8.65 to \$9.15
 - Adjusted EPS guidance of \$9.00 to \$9.50

MENTOR, Ohio, January 31, 2024 – Avery Dennison Corporation (NYSE:AVY) today announced preliminary, unaudited results for its fourth quarter and full year ended December 30, 2023. Non-GAAP financial measures referenced in this release are reconciled from GAAP in the attached financial schedules. Unless otherwise indicated, comparisons are to the same period in the prior year.

"Earnings per share were in line with our expectations for the fourth quarter, increasing sequentially for the fourth consecutive quarter," said Deon Stander, president and CEO. "Volume in both Label Materials and Apparel Solutions improved sequentially, continuing to recover from slow market conditions, largely due to inventory destocking, while our Intelligent Labels platform continues to accelerate."

"In Intelligent Labels, we are targeting to deliver significant growth in 2024, as apparel rebounds and we accelerate the adoption of our solutions that help address key industry challenges in logistics, food and general retail, further advancing our leadership position at the intersection of the physical and digital.

"Following a challenging 2023 which included significant inventory destocking downstream from us, we expect to deliver strong earnings growth in 2024 and make progress toward our 2025 goals," added Stander.

"We remain confident that the consistent execution of our strategies will enable us to meet our long-term goals for superior value creation through a balance of profitable growth and capital discipline.

"Once again, I want to thank our entire team for their continued resilience, focus on excellence and commitment to addressing the unique challenges at hand."

Fourth Quarter 2023 Results by Segment

Materials Group

- Reported sales decreased 2% to \$1.4 billion. Sales were down 4% ex. currency and on an organic basis.
 - Label Materials sales were down mid-single digits on an organic basis.
 - Volume was up low-single digits.
 - Inventory destocking was largely complete as of year end.
 - Sales increased by mid-single digits organically in the Graphics and Reflectives businesses.
 - Sales decreased by low-to-mid single digits organically in the combined Performance Tapes and Medical businesses.
- Reported operating margin was 12.0%. Adjusted EBITDA margin (non-GAAP) was 16.2%, up 340 basis points driven by productivity and the net benefit of pricing and raw material input costs.

Solutions Group

- Reported sales increased 18% to \$692 million. Sales were up 19% ex. currency and 14% on an organic basis.
 - Apparel Solutions volume was up sequentially.
 - Sales in high-value categories were up more than 20% on an organic basis.
 - Sales were up mid-single digits organically in base solutions.

- Reported operating margin was 10.2%. Adjusted EBITDA margin was 18.2%, up 230 basis points compared to prior year and 180 basis points sequentially, driven primarily by volume.

Other

Balance Sheet and Capital Deployment

During 2023, the company deployed \$225 million for acquisitions and returned \$394 million in cash to shareholders through a combination of dividends and share repurchases. The company repurchased 0.8 million shares at an aggregate cost of \$138 million. Net of dilution from long-term incentive awards, the company's share count was down 0.6 million compared to the same time last year.

The company continues to deploy capital in a disciplined manner, executing its long-term capital allocation strategy. The company's balance sheet remains strong. Net debt to adjusted EBITDA (non-GAAP) was 2.4x at the end of the fourth quarter.

Income Taxes

The company's reported effective tax rate was 29.0% in the fourth quarter and 27.6% for the full year. The adjusted tax rate (non-GAAP) was 25.8% in both the fourth quarter and the full year.

Cost Reduction Actions

During 2023, the company realized approximately \$69 million in pre-tax savings from restructuring, net of transition costs, and incurred approximately \$79 million in pre-tax restructuring charges.

Guidance

In its supplemental presentation materials, "Fourth Quarter and Full Year 2023 Financial Review and Analysis," the company provides a list of factors that it believes will contribute to its 2024 financial results. Based on the factors listed and other assumptions, the company expects 2024 reported earnings per share of \$8.65 to \$9.15.

Excluding an estimated \$0.35 per share impact of restructuring charges and other items, the company expects 2024 adjusted earnings per share of \$9.00 to \$9.50.

For more details on the company's results, see the summary tables accompanying this news release, as well as the supplemental presentation materials, "Fourth Quarter and Full Year 2023 Financial Review and Analysis," posted on the company's website at www.investors.averydennison.com, and furnished to the SEC on Form 8-K.

Throughout this release and the supplemental presentation materials, amounts on a per share basis reflect fully diluted shares outstanding.

About Avery Dennison

Avery Dennison Corporation (NYSE: AVY) is a global materials science and digital identification solutions company that provides a wide range of branding and information solutions that optimize labor and supply chain efficiency, reduce waste, advance sustainability, circularity and transparency, and better connect brands and consumers. Our products and solutions include labeling and functional materials, radio frequency identification (RFID) inlays and tags, software applications that connect the physical and digital, and a variety of products and solutions that enhance branded packaging and carry or display information that improves the customer experience. Serving an array of industries worldwide — including home and personal care, apparel, general retail, e-commerce, logistics, food and grocery, pharmaceuticals and automotive — we employ approximately 35,000 employees in more than 50 countries. Our reported sales in 2023 were \$8.4 billion. Learn more at www.averydennison.com.

#

“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995

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.

We believe that the most significant risk factors that could affect our financial performance in the near term include: (i) the impacts to underlying demand for our products from global economic conditions, political uncertainty, and changes in environmental standards and governmental regulations; (ii) competitors’ actions, including pricing, expansion in key markets, and product offerings; (iii) the cost and availability of raw materials; (iv) the degree to which higher costs can be offset with productivity measures and/or passed on to customers through price increases, without a significant loss of volume; (v) foreign currency fluctuations; and (vi) the execution and integration of acquisitions.

Actual results and trends may differ materially from historical or anticipated results depending on a variety of factors, including but not limited to, risks and uncertainties related to the following:

- International Operations – worldwide and local economic and market conditions; changes in political conditions, including those related to China, the Russian invasion of Ukraine, the Israel-Hamas war and tensions in the Middle East; and fluctuations in foreign currency exchange rates and other risks associated with foreign operations, including in emerging markets
- Our Business – fluctuations in demand affecting sales to customers; fluctuations in the cost and availability of raw materials and energy; changes in our markets due to competitive conditions, technological developments, environmental standards, laws and regulations, and customer preferences; the impact of competitive products and pricing; execution and integration of acquisitions; selling prices; customer and supplier concentrations or consolidations; financial condition of distributors; outsourced manufacturers; product and service quality; timely development and market acceptance of new products, including sustainable or sustainably-sourced products; investment in development activities and new production facilities; successful implementation of new manufacturing technologies and installation of manufacturing equipment; our ability to generate sustained productivity improvement; our ability to achieve and sustain targeted cost reductions; collection of receivables from customers; and our environmental, social and governance practices
- Income Taxes – fluctuations in tax rates; changes in tax laws and regulations, and uncertainties associated with interpretations of such laws and regulations; retention of tax incentives; outcome of tax audits; and the realization of deferred tax assets
- Information Technology – disruptions in information technology systems or data security breaches, including cyber-attacks or other intrusions to network security; and successful installation of new or upgraded information technology systems
- Human Capital – recruitment and retention of employees and collective labor arrangements

- Our Indebtedness – credit risks; our ability to obtain adequate financing arrangements and maintain access to capital; fluctuations in interest rates; volatility of financial markets; and compliance with our debt covenants
- Ownership of Our Stock – potential significant variability of our stock price and amounts of future dividends and share repurchases
- Legal and Regulatory Matters – protection and infringement of intellectual property; impact of legal and regulatory proceedings, including with respect to environmental, anti-corruption, health and safety, and trade compliance
- Other Financial Matters – fluctuations in pension costs and goodwill impairment

For a more detailed discussion of these factors, see "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2022 Form 10-K, filed with the Securities and Exchange Commission on February 22, 2023, 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.

For more information and to listen to a live broadcast or an audio replay of the quarterly conference call with analysts, visit the Avery Dennison website at www.investors.averydennison.com.

Contacts:

John Eble
Vice President, Finance and Investor Relations
investorcom@averydennison.com

Kristin Robinson
Vice President, Global Communications
kristin.robinson@averydennison.com

Fourth Quarter Financial Summary - Preliminary, unaudited										
(In millions, except % and per share amounts)										
	4Q		% Sales Change vs. PY							
	2023	2022	Reported	Ex. Currency	Organic					
Net sales, by segment:										
Materials Group	\$1,418.8	\$1,441.3	(1.6%)	(3.9%)	(3.9%)					
Solutions Group	691.7	584.6	18.3%	18.9%	13.9%					
Total net sales	\$2,110.5	\$2,025.9	4.2%	2.5%	1.1%					
	As Reported (GAAP)					Adjusted Non-GAAP ⁽¹⁾				
	4Q	4Q	%	% of Sales		4Q	4Q	%	% of Sales	
	2023	2022	Change	2023	2022	2023	2022	Change	2023	2022
Operating income (loss)/operating margins before interest, other non-operating expense (income), and taxes, by segment:										
Materials Group	\$170.1	\$153.9		12.0%	10.7%	\$198.4	\$150.4		14.0%	10.4%
Solutions Group	70.7	51.6		10.2%	8.8%	80.5	53.1		11.6%	9.1%
Corporate expense ⁽²⁾	(20.4)	(19.1)				(17.8)	(15.6)			
Total operating income/operating margins before interest, other non-operating expense (income), and taxes	\$220.4	\$186.4	18%	10.4%	9.2%	\$261.1	\$187.9	39%	12.4%	9.3%
Interest expense	\$29.7	\$22.5				\$29.7	\$22.5			
Other non-operating expense (income), net	(\$10.9)	(\$5.3)				(\$3.9)	(\$5.3)			
Income before taxes	\$201.6	\$169.2	19%	9.6%	8.4%	\$235.3	\$170.7	38%	11.1%	8.4%
Provision for income taxes	\$58.5	\$46.3				\$60.7	\$36.0			
Net income	\$143.1	\$122.9	16%	6.8%	6.1%	\$174.6	\$134.7	30%	8.3%	6.6%
Net income per common share, assuming dilution	\$1.77	\$1.51	17%			\$2.16	\$1.65	31%		
Adjusted free cash flow						\$218.3	\$244.5			
Adjusted EBITDA:										
Materials Group						\$230.3	\$184.1		16.2%	12.8%
Solutions Group						\$125.6	\$92.9		18.2%	15.9%
Corporate expense						(\$17.8)	(\$15.6)			
Total Adjusted EBITDA						\$ 338.1	\$ 261.4		16.0%	12.9%

See accompanying schedules A-4 to A-9 for reconciliations of non-GAAP financial measures from GAAP.

- (1) Adjusted non-GAAP results for the fourth quarter of 2023 exclude the impact of the Argentine peso remeasurement loss and interest income. The impact of the Argentine peso remeasurement loss and interest income for the fourth quarter of 2022 was not material.
- (2) As reported "Corporate expense" for the fourth quarter of 2023 includes outcome of legal proceeding of \$2.5 and severance and related costs, net of reversals, of \$.1. As reported "Corporate expense" for the fourth quarter of 2022 includes outcome of legal proceeding of \$4.6 and gain on venture investment of (\$1.1).

Full Year Financial Summary - Preliminary, unaudited (in millions, except % and per share amounts)										
	2023	2022	% Sales Change vs. PY							
			Reported	Ex. Currency	Organic					
Net sales, by segment:										
Materials Group	\$5,811.3	\$6,495.1	(10.5%)	(10.4%)	(10.4%)					
Solutions Group	2,553.0	2,544.2	0.3%	2.2%	(0.8%)					
Total net sales	\$8,364.3	\$9,039.3	(7.5%)	(6.9%)	(7.7%)					
	As Reported (GAAP)					Adjusted Non-GAAP ⁽¹⁾				
			% of Sales				% of Sales			
	2023	2022	Change	2023	2022	2023	2022	Change	2023	2022
Operating income (loss) operating margins before interest, other non-operating expense (income), and taxes, by segment:										
Materials Group	\$700.9	\$859.3		12.1%	13.2%	\$789.2	\$845.9		13.6%	13.0%
Solutions Group	165.7	302.3		6.5%	11.9%	252.0	310.1		9.9%	12.2%
Corporate expense ⁽²⁾	(83.7)	(87.6)				(77.4)	(82.6)			
Total operating income/operating margins before interest, other non-operating expense (income), and taxes	\$782.9	\$1,074.0	(27%)	9.4%	11.9%	\$963.8	\$1,073.4	(10%)	11.5%	11.9%
Interest expense	\$119.0	\$84.1				\$119.0	\$84.1			
Other non-operating expense (income), net	(\$30.8)	(\$9.4)				(\$18.9)	(\$9.4)			
Income before taxes	\$694.7	\$999.3	(30%)	8.3%	11.1%	\$863.7	\$998.7	(14%)	10.3%	11.0%
Provision for income taxes	\$191.7	\$242.2				\$222.8	\$246.3			
Net income	\$503.0	\$757.1	(34%)	6.0%	8.4%	\$640.9	\$752.4	(15%)	7.7%	8.3%
Net income per common share, assuming dilution	\$6.20	\$9.21	(33%)			\$7.90	\$9.15	(14%)		
Adjusted free cash flow						\$591.9	\$667.3			
Adjusted EBITDA:										
Materials Group						\$917.0	\$981.7		15.8%	15.1%
Solutions Group						\$422.6	\$465.0		16.6%	18.3%
Corporate expense						(\$77.4)	(\$82.6)			
Total Adjusted EBITDA						\$1,262.2	\$1,364.1		15.1%	15.1%

See accompanying schedules A-4 to A-9 for definition and reconciliations of non-GAAP financial measures from GAAP.

- (1) Adjusted non-GAAP results for fiscal year 2023 exclude the impact of the Argentine peso remeasurement loss and interest income. The impact of the Argentine peso remeasurement loss and interest income prior to the third quarter of 2023 was not material.
- (2) As reported "Corporate expense" for fiscal year 2023 includes asset impairment charges of \$2.8, outcome of legal proceeding of \$2.5, and severance and related costs, net of reversals, of \$1.
- As reported "Corporate expense" for fiscal year 2022 includes outcomes of legal proceedings of \$5.3, severance and related costs, net of reversals of \$.8, and gain on venture investment of (\$1.1).

AVERY DENNISON CORPORATION
PRELIMINARY CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In millions, except per share amounts)

	(UNAUDITED)			
	Three Months Ended		Twelve Months Ended	
	Dec. 30, 2023	Dec. 31, 2022	Dec. 30, 2023	Dec. 31, 2022
Net sales	\$ 2,110.5	\$ 2,025.9	\$ 8,364.3	\$ 9,039.3
Cost of products sold	1,514.5	1,525.7	6,086.8	6,635.1
Gross profit	596.0	500.2	2,277.5	2,404.2
Marketing, general and administrative expense ⁽¹⁾	334.9	312.3	1,313.7	1,330.8
Other expense (income), net ⁽¹⁾⁽²⁾	40.7	1.5	180.9	(0.6)
Interest expense	29.7	22.5	119.0	84.1
Other non-operating expense (income), net ⁽³⁾	(10.9)	(5.3)	(30.8)	(9.4)
Income before taxes	201.6	169.2	694.7	999.3
Provision for income taxes	58.5	46.3	191.7	242.2
Net income	\$ 143.1	\$ 122.9	\$ 503.0	\$ 757.1
Per share amounts:				
Net income per common share, assuming dilution	\$ 1.77	\$ 1.51	\$ 6.20	\$ 9.21
Weighted average number of common shares outstanding, assuming dilution	81.0	81.6	81.1	82.2

⁽¹⁾ Includes the reclassification of the Argentine peso remeasurement loss from "Marketing, general and administrative expense" to "Other expense (income), net" in the third and fourth quarters of 2023. There were no reclassifications made prior to the third quarter of 2023 as the impacts were not material.

⁽²⁾ "Other expense (income), net" for the fourth quarter of 2023 includes severance and related costs, net of reversals, of \$6.2, asset impairment and lease cancellation charges of \$1.8, Argentine peso remeasurement loss of \$22.1, outcomes of legal proceedings of \$8, loss on venture investment of \$1.5, and transaction and related costs of \$1.1.

"Other expense (income), net" for the fourth quarter of 2022 includes outcome of legal proceeding of \$4.6, partially offset by gain on venture investment of \$1.1, gain on sales of assets of \$0.9, and severance and related costs, net of reversals, of \$1.1.

"Other expense (income), net" for fiscal year 2023 includes severance and related costs, net of reversals, of \$70.8, asset impairment and lease cancellation charges of \$8.6, outcomes of legal proceedings of \$64.3, Argentine peso remeasurement loss of \$29.9, transaction and related costs of \$5.3, loss on venture investment of \$1.5 and loss on sale of asset of \$0.5.

"Other expense (income), net" for fiscal year 2022 includes gain on venture investments of \$13.5 and gain on sales of assets of \$1.4, partially offset by severance and related costs, net of reversals, of \$7.6, asset impairment charges of \$1.1, outcomes of legal proceedings of \$6.3, and transaction and related costs of \$0.3.

⁽³⁾ "Other non-operating expense (income), net" for the fourth quarter of 2023 and fiscal year 2023 include Argentine interest income of \$6.9 and \$11.8, respectively.

-more-

AVERY DENNISON CORPORATION
PRELIMINARY CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions)

	(UNAUDITED)	
ASSETS	Dec. 30, 2023	Dec. 31, 2022
Current assets:		
Cash and cash equivalents	\$ 215.0	\$ 167.2
Trade accounts receivable, net	1,414.9	1,374.4
Inventories	920.7	1,009.9
Other current assets	245.4	230.5
Total current assets	2,796.0	2,782.0
Property, plant and equipment, net	1,625.8	1,540.2
Goodwill and other intangibles resulting from business acquisitions, net	2,862.7	2,702.7
Deferred tax assets	115.7	115.1
Other assets	809.6	810.5
	\$ 8,209.8	\$ 7,950.5
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings and current portion of long-term debt and finance leases	\$ 622.2	\$ 598.6
Accounts payable	1,277.1	1,339.3
Other current liabilities	800.2	861.9
Total current liabilities	2,699.5	2,799.8
Long-term debt and finance leases	2,622.1	2,503.5
Other long-term liabilities	760.3	615.0
Shareholders' equity:		
Common stock	124.1	124.1
Capital in excess of par value	854.5	879.3
Retained earnings	4,691.8	4,414.6
Treasury stock at cost	(3,134.4)	(3,021.8)
Accumulated other comprehensive loss	(408.1)	(364.0)
Total shareholders' equity	2,127.9	2,032.2
	\$ 8,209.8	\$ 7,950.5

-more-

AVERY DENNISON CORPORATION
PRELIMINARY CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	(UNAUDITED)	
	Twelve Months Ended	
	Dec. 30, 2023	Dec. 31, 2022
Operating Activities		
Net income	\$ 503.0	\$ 757.1
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	187.4	177.4
Amortization	111.0	113.3
Provision for credit losses and sales returns	49.9	50.1
Stock-based compensation	22.3	47.4
Deferred taxes and other non-cash taxes	(24.4)	18.4
Other non-cash expense and loss (income and gain), net	37.1	23.5
Changes in assets and liabilities and other adjustments	(60.3)	(226.2)
Net cash provided by operating activities	826.0	961.0
Investing Activities		
Purchases of property, plant and equipment	(265.3)	(278.1)
Purchases of software and other deferred charges	(19.8)	(20.4)
Proceeds from company-owned life insurance policies	48.1	---
Proceeds from sales of property, plant and equipment	1.0	2.3
Proceeds from insurance and sales (purchases) of investments, net	1.9	1.9
Proceeds from sale of product line and venture investments	---	1.1
Payments for acquisitions, net of cash acquired, and venture investments	(224.9)	(39.5)
Net cash used in investing activities	(459.0)	(332.7)
Financing Activities		
Net increase (decrease) in borrowings with maturities of three months or less	(36.6)	34.6
Additional long-term borrowings	394.9	---
Repayments of long-term debt and finance leases	(255.9)	(6.3)
Dividends paid	(256.7)	(238.9)
Share repurchases	(137.5)	(379.5)
Net (tax withholding) proceeds related to stock-based compensation	(23.8)	(25.1)
Other	(1.6)	---
Net cash used in financing activities	(317.2)	(615.2)
Effect of foreign currency translation on cash balances	(2.0)	(8.6)
Increase (decrease) in cash and cash equivalents	47.8	4.5
Cash and cash equivalents, beginning of year	167.2	162.7
Cash and cash equivalents, end of year	\$ 215.0	\$ 167.2

-more-

Reconciliation of Non-GAAP Financial Measures from GAAP

We report our 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 the presentation of our financial results prepared in accordance with GAAP. We use these non-GAAP financial measures internally to evaluate trends in our underlying performance, as well as to facilitate comparison to the results of competitors for quarters and year-to-date periods, as applicable. Based on feedback from investors and financial analysts, we believe that the supplemental non-GAAP financial measures we provide are also useful to their assessments of our performance and operating trends, as well as liquidity. Reconciliations are provided in accordance with Regulations G and S-K and reconcile our non-GAAP financial measures with the most directly comparable GAAP financial measures.

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 more difficult to assess our underlying performance in a single period. By excluding the accounting effects, positive or negative, of certain items (e.g., restructuring charges, outcomes of certain legal proceedings, 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, gains or losses on venture investments, currency adjustments due to highly inflationary economies, and other items), we believe that we are providing meaningful supplemental information that facilitates an understanding of our core operating results and liquidity measures. 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 non-GAAP financial measures described below in the accompanying news release.

Sales change ex. currency refers to the increase or decrease in net sales, excluding the estimated impact of foreign currency translation; the reclassification of sales between segments; where applicable, an extra week in our fiscal year and the calendar shift resulting from the extra week in the prior fiscal year; and currency adjustments for transitional reporting of highly inflationary economies. 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 foreign currency fluctuations.

Organic sales change refers to sales change ex. currency, excluding the estimated impact of acquisitions and product line divestitures.

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 net income adjusted for taxes; other expense (income), net; interest expense; and other non-operating expense (income), net.

Adjusted EBITDA refers to adjusted operating income before depreciation and amortization.

Adjusted operating margin refers to adjusted operating income as a percentage of net sales.

Adjusted EBITDA margin refers to adjusted EBITDA as a percentage of net 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 that rate, such as effects of certain discrete tax planning actions, impacts related to enactments of comprehensive tax law changes, and other items.

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 the weighted average number of common shares outstanding, assuming dilution.

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

Net debt to adjusted EBITDA ratio refers to total debt (including finance leases) less cash and cash equivalents, divided by adjusted EBITDA for the last twelve months. We believe that the net debt to adjusted EBITDA ratio assists investors in assessing our leverage position.

Adjusted 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 company-owned life insurance policies, plus proceeds from sales of property, plant and equipment, plus (minus) net proceeds from insurance and sales (purchases) of investments. Where applicable, adjusted free cash flow is also adjusted for certain acquisition-related transaction costs. We believe that adjusted free cash flow assists investors by showing the amount of cash we have available for debt reductions, dividends, share repurchases, and acquisitions.

-more-

AVERY DENNISON CORPORATION
PRELIMINARY RECONCILIATION OF NON-GAAP FINANCIAL MEASURES FROM GAAP
(In millions, except % and per share amounts)

	(UNAUDITED)			
	Three Months Ended		Twelve Months Ended	
	Dec. 30, 2023	Dec. 31, 2022	Dec. 30, 2023	Dec. 31, 2022
Reconciliation of non-GAAP operating margins from GAAP:				
Net sales	\$ 2,110.5	\$ 2,025.9	\$ 8,364.3	\$ 9,039.3
Income before taxes	\$ 201.6	\$ 169.2	\$ 694.7	\$ 999.3
Income before taxes as a percentage of net sales	9.6%	8.4%	8.3%	11.1%
Adjustments:				
Interest expense	\$ 29.7	\$ 22.5	\$ 119.0	\$ 84.1
Other non-operating expense (income), net	(10.9)	(5.3)	(30.8)	(9.4)
Operating income before interest expense, other non-operating expense (income) and taxes	\$ 220.4	\$ 186.4	\$ 782.9	\$ 1,074.0
Operating margins	10.4%	9.2%	9.4%	11.9%
As reported net income	\$ 143.1	\$ 122.9	\$ 503.0	\$ 757.1
Adjustments:				
Restructuring charges, net of reversals:				
Severance and related costs, net of reversals	6.2	(1.1)	70.8	7.6
Asset impairment and lease cancellation charges	1.8	---	8.6	0.1
Outcomes of legal proceedings	8.0	4.6	64.3	6.3
Argentine peso remeasurement loss ⁽¹⁾	22.1	---	29.9	---
Transaction and related costs	1.1	---	5.3	0.3
(Gain) loss on venture investments	1.5	(1.1)	1.5	(13.5)
(Gain) loss on sales of assets	---	(0.9)	0.5	(1.4)
Interest expense	29.7	22.5	119.0	84.1
Other non-operating expense (income), net ⁽¹⁾⁽²⁾	(10.9)	(5.3)	(30.8)	(9.4)
Provision for income taxes	58.5	46.3	191.7	242.2
Adjusted operating income (non-GAAP)	\$ 261.1	\$ 187.9	\$ 963.8	\$ 1,073.4
Adjusted operating margins (non-GAAP)	12.4%	9.3%	11.5%	11.9%
Depreciation and amortization	\$ 77.0	\$ 73.5	\$ 298.4	\$ 290.7
Adjusted EBITDA (non-GAAP)	\$ 338.1	\$ 261.4	\$ 1,262.2	\$ 1,364.1
Adjusted EBITDA margins (non-GAAP)	16.0%	12.9%	15.1%	15.1%
Reconciliation of non-GAAP net income from GAAP:				
As reported net income	\$ 143.1	\$ 122.9	\$ 503.0	\$ 757.1
Adjustments:				
Restructuring charges and other items ⁽¹⁾	40.7	1.5	180.9	(0.6)
Argentine interest income ⁽¹⁾	(6.9)	---	(11.8)	---
Pension plan settlement loss (gain)	(0.1)	---	(0.1)	---
Tax effect on restructuring charges and other items and impact of adjusted tax rate	(2.2)	10.3	(31.1)	(4.1)
Adjusted net income (non-GAAP)	\$ 174.6	\$ 134.7	\$ 640.9	\$ 752.4

(1) The impact of the Argentine peso remeasurement loss and interest income prior to the third quarter of 2023 was not material.

(2) "Other non-operating expense (income), net" for the fourth quarter of 2023 and fiscal year 2023 include Argentine interest income of \$6.9 and \$11.8, respectively.

-more-

AVERY DENNISON CORPORATION
PRELIMINARY RECONCILIATION OF NON-GAAP FINANCIAL MEASURES FROM GAAP
(In millions, except % and per share amounts)

	(UNAUDITED)			
	Three Months Ended		Twelve Months Ended	
	Dec. 30, 2023	Dec. 31, 2022	Dec. 30, 2023	Dec. 31, 2022
Reconciliation of non-GAAP net income per common share from GAAP:				
As reported net income per common share, assuming dilution	\$ 1.77	\$ 1.51	\$ 6.20	\$ 9.21
Adjustments per common share, net of tax:				
Restructuring charges and other items ⁽¹⁾	0.50	0.02	2.23	(0.01)
Argentine interest income ⁽¹⁾	(0.08)	---	(0.15)	---
Pension plan settlement loss (gain)	---	---	---	---
Tax effect on restructuring charges and other items and impact of adjusted tax rate	(0.03)	0.12	(0.38)	(0.05)
Adjusted net income per common share, assuming dilution (non-GAAP)	\$ 2.16	\$ 1.65	\$ 7.90	\$ 9.15
Weighted average number of common shares outstanding, assuming dilution	81.0	81.6	81.1	82.2

Our adjusted tax rate was 25.8% for both the three and twelve months ended December 30, 2023, and 21.1% and 24.7% for the three and twelve months ended December 31, 2022, respectively.

⁽¹⁾ The impact of the Argentine peso remeasurement loss and interest income prior to the third quarter of 2023 was not material.

	(UNAUDITED)			
	Three Months Ended		Twelve Months Ended	
	Dec. 30, 2023	Dec. 31, 2022	Dec. 30, 2023	Dec. 31, 2022
Reconciliation of adjusted free cash flow:				
Net cash provided by operating activities	\$ 311.9	\$ 345.8	\$ 826.0	\$ 961.0
Purchases of property, plant and equipment	(92.3)	(94.9)	(265.3)	(278.1)
Purchases of software and other deferred charges	(4.5)	(6.5)	(19.8)	(20.4)
Proceeds from company-owned life insurance policies	---	---	48.1	---
Proceeds from sales of property, plant and equipment	0.3	0.1	1.0	2.3
Proceeds from insurance and sales (purchases) of investments, net	2.9	---	1.9	1.9
Payments for certain acquisition-related transaction costs	---	---	---	0.6
Adjusted free cash flow (non-GAAP)	\$ 218.3	\$ 244.5	\$ 591.9	\$ 667.3

-more-

AVERY DENNISON CORPORATION
PRELIMINARY SUPPLEMENTARY INFORMATION
(In millions, except %)
(UNAUDITED)

	Fourth Quarter Ended					
	NET SALES		OPERATING INCOME (LOSS)		OPERATING MARGINS	
	2023	2022	2023	2022	2023	2022
Materials Group	\$ 1,418.8	\$ 1,441.3	\$ 170.1	\$ 153.9	12.0%	10.7%
Solutions Group	691.7	584.6	70.7	51.6	10.2%	8.8%
Corporate Expense	N/A	N/A	(20.4)	(19.1)	N/A	N/A
TOTAL FROM OPERATIONS	\$ 2,110.5	\$ 2,025.9	\$ 220.4	\$ 186.4	10.4%	9.2%

RECONCILIATION OF NON-GAAP SUPPLEMENTARY INFORMATION FROM GAAP

	Fourth Quarter Ended			
	2023	2022	2023	2022
Materials Group				
Operating income and margins, as reported	\$ 170.1	\$ 153.9	12.0%	10.7%
Adjustments:				
Restructuring charges, net of reversals:				
Severance and related costs, net of reversals	1.7	(3.5)	0.1%	(0.3%)
Asset impairment charges	0.2	---	---	---
Argentine peso remeasurement loss ⁽¹⁾	22.1	---	1.6%	---
Outcome of legal proceeding	4.3	---	0.3%	---
Adjusted operating income and margins (non-GAAP)	\$ 198.4	\$ 150.4	14.0%	10.4%
Depreciation and amortization	31.9	33.7	2.2%	2.4%
Adjusted EBITDA and margins (non-GAAP)	\$ 230.3	\$ 184.1	16.2%	12.8%
Solutions Group				
Operating income and margins, as reported	\$ 70.7	\$ 51.6	10.2%	8.8%
Adjustments:				
Restructuring charges, net of reversals:				
Severance and related costs, net of reversals	4.4	2.4	0.6%	0.4%
Asset impairment and lease cancellation charges	1.6	---	0.2%	---
Loss on venture investment	1.5	---	0.2%	---
Outcome of legal proceeding	1.2	---	0.2%	---
Transaction and related costs	1.1	---	0.2%	---
Gain on sales of assets	---	(0.9)	---	(0.1%)
Adjusted operating income and margins (non-GAAP)	\$ 80.5	\$ 53.1	11.6%	9.1%
Depreciation and amortization	45.1	39.8	6.6%	6.8%
Adjusted EBITDA and margins (non-GAAP)	\$ 125.6	\$ 92.9	18.2%	15.9%

⁽¹⁾ The impact of the Argentine peso remeasurement loss for the fourth quarter of 2022 was not material.

-more-

AVERY DENNISON CORPORATION
PRELIMINARY SUPPLEMENTARY INFORMATION
(In millions, except %)
(UNAUDITED)

	Twelve Months Ended					
	NET SALES		OPERATING INCOME (LOSS)		OPERATING MARGINS	
	2023	2022	2023	2022	2023	2022
Materials Group	\$ 5,811.3	\$ 6,495.1	\$ 700.9	\$ 859.3	12.1%	13.2%
Solutions Group	2,553.0	2,544.2	165.7	302.3	6.5%	11.9%
Corporate Expense	N/A	N/A	(83.7)	(87.6)	N/A	N/A
TOTAL FROM OPERATIONS	\$ 8,364.3	\$ 9,039.3	\$ 782.9	\$ 1,074.0	9.4%	11.9%

RECONCILIATION OF NON-GAAP SUPPLEMENTARY INFORMATION FROM GAAP

	Twelve Months Ended			
	2023	2022	2023	2022
Materials Group				
Operating income and margins, as reported	\$ 700.9	\$ 859.3	12.1%	13.2%
Adjustments:				
Restructuring charges, net of reversals:				
Severance and related costs, net of reversals	49.9	(1.0)	0.9%	---
Asset impairment charges	2.5	---	---	---
Argentine peso remeasurement loss ⁽¹⁾	29.9	---	0.5%	---
Outcomes of legal proceedings	5.5	---	0.1%	---
Loss on sales of assets	0.5	---	---	---
Gain on venture investment	---	(12.4)	---	(0.2%)
Adjusted operating income and margins (non-GAAP)	\$ 789.2	\$ 845.9	13.6%	13.0%
Depreciation and amortization	127.8	135.8	2.2%	2.1%
Adjusted EBITDA and margins (non-GAAP)	\$ 917.0	\$ 981.7	15.8%	15.1%
Solutions Group				
Operating income and margins, as reported	\$ 165.7	\$ 302.3	6.5%	11.9%
Adjustments:				
Restructuring charges, net of reversals:				
Severance and related costs, net of reversals	19.9	7.8	0.8%	0.3%
Asset impairment and lease cancellation charges	3.3	0.1	0.1%	---
Outcomes of legal proceedings	56.3	1.0	2.2%	0.1%
Transaction and related costs	5.3	0.3	0.2%	---
Loss on venture investment	1.5	---	0.1%	---
Gain on sales of assets	---	(1.4)	---	(0.1%)
Adjusted operating income and margins (non-GAAP)	\$ 252.0	\$ 310.1	9.9%	12.2%
Depreciation and amortization	170.6	154.9	6.7%	6.1%
Adjusted EBITDA and margins (non-GAAP)	\$ 422.6	\$ 465.0	16.6%	18.3%

⁽¹⁾ The impact of the Argentine peso remeasurement loss prior to the third quarter of 2023 was not material.

-more-

AVERY DENNISON CORPORATION
PRELIMINARY SUPPLEMENTARY INFORMATION
(In millions, except ratios)
(UNAUDITED)

	QTD			
	1Q23	2Q23	3Q23	4Q23
Reconciliation of adjusted EBITDA from GAAP:				
As reported net income	\$ 121.2	\$ 100.4	\$ 138.3	\$ 143.1
Other expense (income), net ⁽¹⁾	17.8	68.3	54.1	40.7
Interest expense	26.4	31.9	31.0	29.7
Other non-operating expense (income), net	(4.6)	(6.6)	(8.7)	(10.9)
Provision for income taxes	47.1	39.8	46.3	58.5
Depreciation and amortization	72.3	74.0	75.1	77.0
Adjusted EBITDA (non-GAAP)	\$ 280.2	\$ 307.8	\$ 336.1	\$ 338.1

Total Debt	\$ 3,244.3
Less: Cash and cash equivalents	215.0
Net Debt	\$ 3,029.3
Net Debt to Adjusted EBITDA LTM* (non-GAAP)	2.4

*LTM = Last twelve months (1Q23 to 4Q23)

(1) "Other expense (income), net" includes the Argentine peso remeasurement loss in the third and fourth quarters of 2023. The Argentine peso remeasurement loss was not material in the first and second quarters of 2023.

-more-

AVERY DENNISON CORPORATION
PRELIMINARY SUPPLEMENTARY INFORMATION
(UNAUDITED)

	Fourth Quarter 2023		
	Total Company	Materials Group	Solutions Group
Reconciliation of organic sales change from GAAP:			
Reported net sales change	4.2%	(1.6%)	18.3%
Reclassification of sales between segments	---	0.1%	(0.2%)
Foreign currency translation	(1.6%)	(2.4%)	0.7%
Sales change ex. currency (non-GAAP) ⁽¹⁾	2.5%	(3.9%)	18.9%
Acquisitions	(1.4%)	---	(5.0%)
Organic sales change (non-GAAP) ⁽¹⁾	1.1%	(3.9%)	13.9%

	Full Year 2023		
	Total Company	Materials Group	Solutions Group
Reconciliation of organic sales change from GAAP:			
Reported net sales change	(7.5%)	(10.5%)	0.3%
Reclassification of sales between segments	---	0.1%	(0.2%)
Foreign currency translation	0.6%	0.1%	2.1%
Sales change ex. currency (non-GAAP) ⁽¹⁾	(6.9%)	(10.4%)	2.2%
Acquisitions	(0.8%)	---	(3.0%)
Organic sales change (non-GAAP) ⁽¹⁾	(7.7%)	(10.4%)	(0.8%)

⁽¹⁾ Totals may not sum due to rounding.

Fourth Quarter and Full Year 2023 Financial Review and Analysis (preliminary, unaudited)

January 31, 2024

Supplemental Presentation Materials

Unless otherwise indicated, comparisons are to the same period in the prior year.



Safe Harbor Statement

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. We believe that the most significant risk factors that could affect our financial performance in the near term include: (i) the impacts to underlying demand for our products from global economic conditions, political uncertainty, and changes in environmental standards and governmental regulations; (ii) competitors' actions, including pricing, expansion in key markets, and product offerings; (iii) the cost and availability of raw materials; (iv) the degree to which higher costs can be offset with productivity measures and/or passed on to customers through price increases, without a significant loss of volume; (v) foreign currency fluctuations; and (vi) the execution and integration of acquisitions.

Actual results and trends may differ materially from historical or anticipated results depending on a variety of factors, including but not limited to, risks and uncertainties related to the following:

- International Operations – worldwide and local economic and market conditions; changes in political conditions, including those related to China, the Russian invasion of Ukraine, the Israel-Hamas war and tensions in the Middle East; and fluctuations in foreign currency exchange rates and other risks associated with foreign operations, including in emerging markets
- Our Business – fluctuations in demand affecting sales to customers; fluctuations in the cost and availability of raw materials and energy; changes in our markets due to competitive conditions, technological developments, environmental standards, laws and regulations, and customer preferences; the impact of competitive products and pricing; execution and integration of acquisitions; selling prices; customer and supplier concentrations or consolidations; financial condition of distributors; outsourced manufacturers; product and service quality; timely development and market acceptance of new products, including sustainable or sustainably-sourced products; investment in development activities and new production facilities; successful implementation of new manufacturing technologies and installation of manufacturing equipment; our ability to generate sustained productivity improvement; our ability to achieve and sustain targeted cost reductions; collection of receivables from customers; and our environmental, social and governance practices
- Income Taxes – fluctuations in tax rates; changes in tax laws and regulations, and uncertainties associated with interpretations of such laws and regulations; retention of tax incentives; outcome of tax audits; and the realization of deferred tax assets
- Information Technology – disruptions in information technology systems or data security breaches, including cyber-attacks or other intrusions to network security; and successful installation of new or upgraded information technology systems
- Human Capital – recruitment and retention of employees and collective labor arrangements
- Our Indebtedness – credit risks; our ability to obtain adequate financing arrangements and maintain access to capital; fluctuations in interest rates; volatility of financial markets; and compliance with our debt covenants
- Ownership of Our Stock – potential significant variability of our stock price and amounts of future dividends and share repurchases
- Legal and Regulatory Matters – protection and infringement of intellectual property; impact of legal and regulatory proceedings, including with respect to environmental, anti-corruption, health and safety, and trade compliance
- Other Financial Matters – fluctuations in pension costs and goodwill impairment

For a more detailed discussion of these factors, see "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2022 Form 10-K, filed with the Securities and Exchange Commission on February 22, 2023, 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 our 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 the presentation of our financial results prepared in accordance with GAAP. We use these non-GAAP financial measures internally to evaluate trends in our underlying performance, as well as to facilitate comparison to the results of competitors for quarters and year-to-date periods, as applicable. Based on feedback from investors and financial analysts, we believe that the supplemental non-GAAP financial measures we provide are also useful to their assessments of our performance and operating trends, as well as liquidity. In accordance with Regulations G and S-K, reconciliations of non-GAAP financial measures from the most directly comparable GAAP financial measures, including limitations associated with these non-GAAP financial measures, are provided in the appendix to this document and/or the financial schedules accompanying the earnings news release for the quarter (see Attachments A-4 through A-9 to news release dated January 31, 2024).

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 more difficult to assess our underlying performance in a single period. By excluding the accounting effects, positive or negative, of certain items (e.g., restructuring charges, outcomes of certain legal proceedings, 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, gains or losses on venture investments, currency adjustments due to highly inflationary economies, and other items), we believe that we are providing meaningful supplemental information that facilitates an understanding of our core operating results and liquidity measures. While some of the items we exclude from GAAP financial measures recur, they tend to be disparate in amount, frequency or timing.

We use these non-GAAP financial measures internally to evaluate trends in our underlying performance, as well as to facilitate comparison to the results of competitors for quarters and year-to-date periods, as applicable.

We use the non-GAAP financial measures described below in this presentation.

- **Sales change ex. currency** refers to the increase or decrease in net sales, excluding the estimated impact of foreign currency translation; the reclassification of sales between segments; where applicable, an extra week in our fiscal year and the calendar shift resulting from the extra week in the prior fiscal year; and currency adjustments for transitional reporting of highly inflationary economies. 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 foreign currency fluctuations.
- **Organic sales change** refers to sales change ex. currency, excluding the estimated impact of acquisitions and product line divestitures.

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.

We believe that the following measures assist investors in understanding our core operating trends and comparing our results with those of our competitors.

- **Adjusted operating income** refers to net income adjusted for taxes; other expense (income), net; interest expense; and other non-operating expense (income), net.
- **Adjusted EBITDA change ex. currency** refers to the change in adjusted EBITDA on a constant currency basis. 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.
- **Adjusted EPS change ex. currency** refers to the change in adjusted net income per common share, assuming dilution, on a constant currency basis. 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.
- **Adjusted EBITDA** refers to adjusted operating income before depreciation and amortization.
- **Adjusted operating margin** refers to adjusted operating income as a percentage of net sales.
- **Adjusted EBITDA margin** refers to adjusted EBITDA as a percentage of net 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 that rate, such as effects of certain discrete tax planning actions, impacts related to enactments of comprehensive tax law changes, and other items.
- **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 the weighted average number of common shares outstanding, assuming dilution.
- **Adjusted free cash flow (adjusted FCF)** refers to cash flow provided by operating activities, less payments for property, plant and equipment, software and other deferred charges, plus proceeds from company-owned life insurance policies, plus proceeds from sales of property, plant and equipment, plus (minus) net proceeds from insurance and sales (purchases) of investments. Where applicable, adjusted free cash flow is also adjusted for certain acquisition-related transaction costs. We believe that adjusted free cash flow assists investors by showing the amount of cash we have available for debt reductions, dividends, share repurchases, and acquisitions.
- **Adjusted free cash flow conversion** refers to free cash flow divided by net income.
- **Net debt to adjusted EBITDA ratio** refers to total debt (including finance leases) less cash and cash equivalents, divided by adjusted EBITDA for the last twelve months. We believe that the net debt to adjusted EBITDA ratio assists investors in assessing our leverage position.
- **Return on total capital (ROTC)** refers to net income excluding interest expense and amortization of intangible assets from acquisitions, net of tax benefit, divided by the average of beginning and ending invested capital. We believe that ROTC assists investors in understanding our ability to generate returns from our capital.

This document has been furnished (not filed) on Form 8-K with the SEC and may be found on our website at www.investors.averydennison.com.

Q4 2023 adj. EPS up sequentially and in line with expectations; expect strong earnings growth in '24 as volumes normalize and IL accelerates

Materials volume increased sequentially throughout the year; Q4 up compared to PY

- Downstream inventory destocking largely complete at YE 2023; consumer demand remains mixed
- Delivered strong margins, up nearly 1 point compared to PY, despite significant destocking

Apparel Solutions volume continued to increase sequentially; Q4 up compared to PY

- Retailer and brand sentiment remains muted; anticipate apparel industry to normalize mid-2024

Adoption of Intelligent Labels (IL) continues to increase as our solutions address key industry challenges

- In Q4, Intelligent Labels organic sales growth of more than 30% compared to PY
 - Non-apparel categories, particularly Logistics and Food, up ~110%
- Targeting 20%+ growth in 2024 as new categories adopt and apparel rebounds in H2

Expect strong adj. EPS growth in 2024, up 17% at midpoint, following a challenging 2023

- Continuing to deliver strong adj. FCF; targeting ~100% adj. FCF conversion in 2024

Remain well-positioned for continued GDP+ growth and top-quartile ROTC over the long term

Full year 2023 review

Net sales of \$8.4 bil.

- Sales change ex. currency (non-GAAP) down 7%; organic sales change (non-GAAP) down 8%

Reported operating income of \$783 mil.

- Adj. EBITDA (non-GAAP) of \$1,262 mil.
- Adj. EBITDA margin (non-GAAP) of 15.1%

Reported EPS of \$6.20; adj. EPS (non-GAAP) of \$7.90

Adj. FCF (non-GAAP) of \$592 mil.

- 2020-2023 avg. adj. FCF conversion (non-GAAP) of 100%+

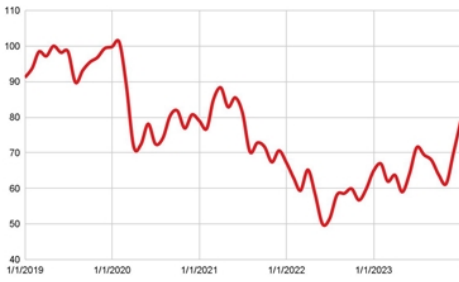
Maintained strong balance sheet while continuing to deploy capital in disciplined manner

- YE net debt to adj. EBITDA (non-GAAP) ratio of 2.4
- Deployed \$394 mil. for buybacks and a growing dividend, and \$225 mil. for M&A

Expect 2024 reported EPS of \$8.65 to \$9.15; adj. EPS of \$9.00 to \$9.50, midpoint up 17%

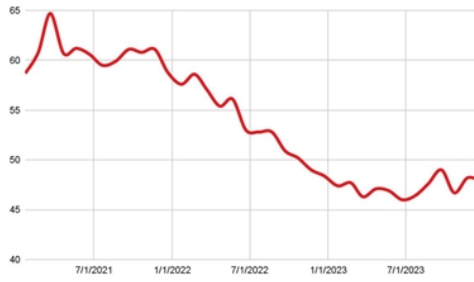
- Reported sales growth of 3% to 5%; organic sales growth of 2.5% to 4.5%

U.S. Consumer Sentiment



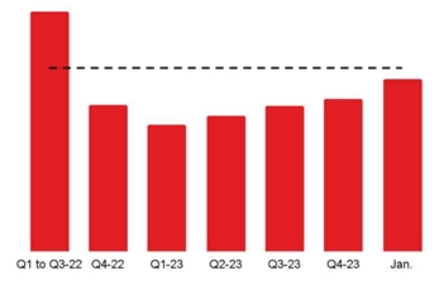
Source: University of Michigan

U.S. Business Sentiment (Mfg. PMI)

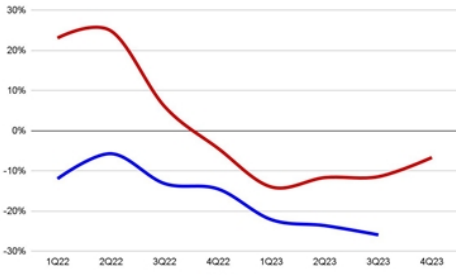


Source: Institute for Supply Management

Avg. AVY Label Volume (NA + Europe)

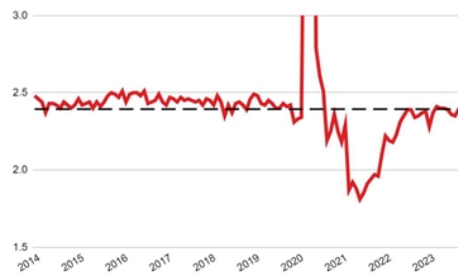


Apparel Imports % vs. 2019



Sources: Otexa (U.S.) through Nov. '23, Eurostat (Eu) through Sep. '23
January 31, 2024

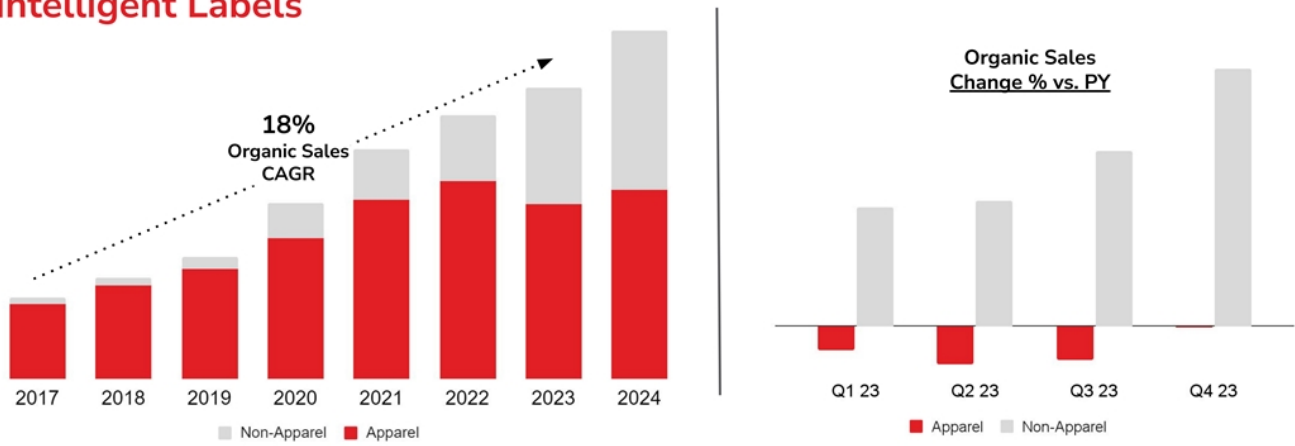
U.S. Apparel Inventory to Sales Ratio



Source: U.S. Census Bureau

- Economic indicators remain uncertain
- Business and consumer sentiment still relatively low
- Label volume continues to improve; destocking largely complete
- Apparel imports remain below demand levels; inventory environment remains mixed

Intelligent Labels



- **Q4 2023 organic sales up more than 30%**
 - Non-apparel categories, particularly Logistics and Food, up ~110%
 - Apparel comparable to PY; retailer and brand sentiment remains muted
- **FY 2023 organic sales up low-double digits driven by ~75% growth in non-apparel categories**
- **Targeting 20%+ growth in 2024 as new categories adopt and apparel rebounds in H2**

Full year 2023 sales growth and operating margin comparisons

Full Year Sales Change

	Reported	Ex. Currency	Organic
Materials Group	(11%)	(10%)	(10%)
Solutions Group	0%	2%	(1%)
Total Company	(8%)	(7%)	(8%)

	Reported Operating Margin		Adj. EBITDA Margin (non-GAAP)	
	2023	2022	2023	2022
Materials Group	12.1%	13.2%	15.8%	15.1%
Solutions Group	6.5%	11.9%	16.6%	18.3%
Total Company	9.4%	11.9%	15.1%	15.1%

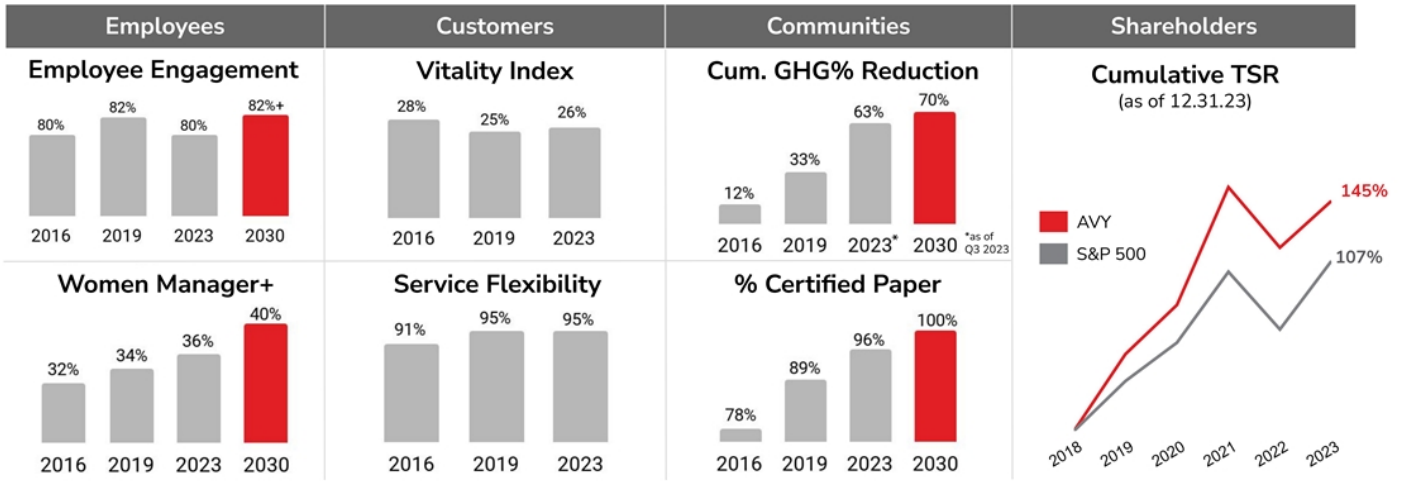
Following challenging 2023, expect progress toward long-term targets in 2024 as label and apparel markets rebound and IL growth accelerates

	2020-2025 TARGETS	2020-2023 RESULTS	2020-2024 GUIDANCE MIDPOINT
Sales Growth Ex. Currency ⁽¹⁾	5%+	8% 3-YR CAGR	~7% 4-YR CAGR
Adjusted EBITDA Growth ⁽¹⁾⁽²⁾	6.5%	6% 3-YR CAGR ~7.3% ex-curr.	~7.5% 4-YR CAGR ~9% ex-curr.
Adjusted EBITDA Margin	16%+ in 2025	15.1% in 2023	15.5%+ in 2024
Adjusted EPS Growth ⁽¹⁾	10%	4% 3-YR CAGR ~5.4% ex-curr.	~7% 4-YR CAGR ~8% ex-curr.
ROTC (Non-GAAP)	18%+	12.4% in 2023	~16.5% in 2024




(1) Percentages for targets reflect five-year compound annual growth rates, with 2020 as the base period. Percentages for results reflect three-year compound annual growth rates, with 2020 as the base period.
(2) Although adjusted EBITDA growth was not one of our original financial targets, it was implied by our sales growth ex. currency and adjusted EBITDA margin targets.

January 31, 2024 Preliminary & unaudited, Q4 & FY 2023 financial review and analysis

Balanced scorecard measuring progress for key stakeholders



Leading in an environmentally and socially responsible manner, with clear 2030 goals

 <p>Deliver innovations that advance the circular economy</p>	 <p>Reduce the environmental impact in our operations and supply chain</p>	 <p>Make a positive social impact by enhancing the livelihood of our people and communities</p>
--	---	--

Strong balance sheet and ample liquidity

Q4 2023 Leverage		Debt / Liquidity Considerations	
Total Debt Outstanding	\$3.2B	<ul style="list-style-type: none"> Strong adj. free cash flow; delivering ~100% long-term adj. FCF conversion Ample liquidity: \$1.2 bil. revolving credit facility, plus ~\$215 mil. in cash and cash equivalents at YE '23 	
Cash and cash equivalents	\$0.2B		
Net Debt ⁽¹⁾	\$3.0B		
Adjusted EBITDA, trailing 4 qtrs	\$1.3B		
Net Debt to adj. EBITDA (non-GAAP)	2.4		
Long-term Capital Allocation Strategy		Long-term Debt Maturity Schedule	
	% of Available Capital		<p>3.2% weighted average interest rate</p> <p>The bar chart displays the long-term debt maturity schedule in millions of USD. The x-axis represents years from 2024 to 2030+, and the y-axis represents the amount of debt. The bars are: 2024 (\$300M), 2025 (\$575M*), 2026 (no bar), 2027 (no bar), 2028 (\$500M), 2029 (no bar), and 2030+ (\$1550M). A note above the chart states '3.2% weighted average interest rate'.</p>
	'20-'25 Target	'20-'23 Actual	
Capex/restructuring	25%-30%	23%	
Dividends	~20%	17%	
Buyback/M&A	~50%	60%	

(1) Totals may not sum due to rounding

* €500M debt converted to USD at 1.09x + \$30M medium-term note

Fourth quarter 2023 review

Net sales of \$2.1 bil.

- Sales change ex. currency up 3%
- Organic sales change up 1%
 - Volume up mid-single digits, partially offset by deflation-related price reductions

Reported operating income of \$220 mil.

- Adj. EBITDA of \$338 mil., up 29% vs. PY and up sequentially
- Adj. EBITDA margin of 16.0%, up 310 bps

Reported EPS of \$1.77

Adj. EPS (non-GAAP) of \$2.16, up 31% vs. PY and up sequentially

QTD adj. FCF (non-GAAP) of \$218 mil.

Fourth Quarter 2023 Results

Materials Group

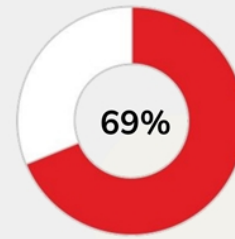
Reported sales decreased 2% to \$1.4 bil.

Sales down 4% ex. currency and organically

- Label Materials down mid-single digits on organic basis
 - Volume up low-single digits
 - Inventory destocking largely complete at YE 2023
- Graphics and Reflectives up mid-single digits organically
- Performance Tapes and Medical down low-to-mid-single digits organically

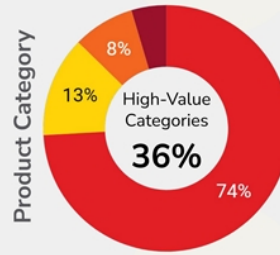
Reported operating margin of 12.0%

- Adj. EBITDA margin of 16.2%, up 340 bps compared to PY driven by productivity and net benefit of pricing and raw material input costs



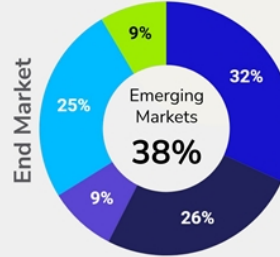
AVY '23 Sales by Segment

- Materials Group
- Solutions Group



Materials Group 2023 Sales by Product

- Label Materials
- Graphics & Reflectives
- Performance Tapes & Medical
- Other



Materials Group 2023 Sales by Geography

- U.S. & Canada
- Western Europe
- E. Europe & MENA
- Asia Pacific
- Latin America

Solutions Group

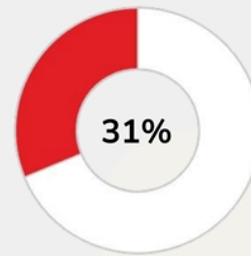
Reported sales increased 18% to \$692 mil.

Sales up 19% ex. currency and 14% organically

- Apparel Solutions volume up sequentially
- Solutions high-value categories up 20%+ organically
- Solutions base categories up mid-single digits organically
 - Apparel base solutions comparable to PY

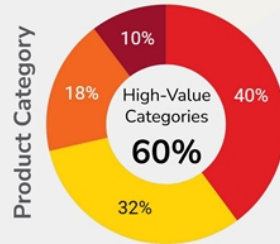
Reported operating margin of 10.2%

- Adj. EBITDA margin of 18.2%, up 230 bps compared to PY and up 180 bps sequentially, driven primarily by volume



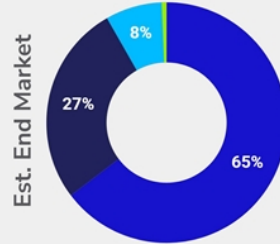
AVY '23 Sales by Segment

- Materials Group
- Solutions Group



Solutions Group 2023 Sales by Product

- Base Solutions
- Intelligent Labels
- Vestcom
- Ext. Embellishments



Solutions Group 2023 Sales by Geography

- U.S. & Canada
- Europe
- Asia Pacific
- Latin America

Q4 sales growth and operating margin comparisons

	Q4 Sales Change		
	Reported	Ex. Currency	Organic
Materials Group	(2%)	(4%)	(4%)
Solutions Group	18%	19%	14%
Total Company	4%	3%	1%

	Reported Operating Margin		Adj. EBITDA Margin (non-GAAP)	
	2023	2022	2023	2022
Materials Group	12.0%	10.7%	16.2%	12.8%
Solutions Group	10.2%	8.8%	18.2%	15.9%
Total Company	10.4%	9.2%	16.0%	12.9%

Quarterly sales trend analysis

	4Q22	1Q23	2Q23	3Q23	4Q23
Reported Sales Change	(7%)	(12%)	(11%)	(9%)	4%
Organic Sales Change ⁽¹⁾	(1%)	(9%)	(10%)	(11%)	1%
Acquisitions/Divestitures	0%	0%	1%	1%	1%
Sales Change Ex. Currency ^{(1),(2)}	(1%)	(9%)	(10%)	(10%)	3%
Currency Translation	(6%)	(3%)	(1%)	1%	2%
Reported Sales Change⁽²⁾	(7%)	(12%)	(11%)	(9%)	4%

(1) Non-GAAP

(2) Totals may not sum due to rounding

Quarterly sales trend analysis (cont.)

	Organic Sales Change				
	4Q22	1Q23	2Q23	3Q23	4Q23
Materials Group	2%	(9%)	(12%)	(16%)	(4%)
Solutions Group	(8%)	(9%)	(7%)	1%	14%
Total Company	(1%)	(9%)	(10%)	(11%)	1%
Total Company Sales Change Ex. Currency	(1%)	(9%)	(10%)	(10%)	3%

2024 EPS Guidance

Reported EPS	\$8.65 - \$9.15
Add Back:	
Est. restructuring costs and other items	~\$0.35
Adjusted EPS	\$9.00 - \$9.50

Full-year 2024 contributing factors

- Reported sales growth of 3% to 5%, including ~0.5% benefit from M&A
 - Organic sales growth of 2.5% to 4.5% on strong volume growth, partially offset by deflation-related price reductions
 - Label destocking largely complete at YE 2023; apparel industry volume to normalize mid-2024
 - Targeting Intelligent Labels organic growth of 20%+ as new categories adopt and apparel rebounds in H2
- Incremental savings of ~\$45 mil. from restructuring actions, net
- Limited impact from currency translation to FY operating income, assuming recent rates
- Targeting ~100% adj. FCF conversion; fixed and IT capital spend comparable to PY
- Adjusted tax rate of ~26%
- Continued sequential momentum in Q1, likely offset by seasonality in logistics and apparel, and employee-related costs

Appendix A:

Reconciliation of Non-GAAP
Financial Measures from GAAP



Organic sales change – Avery Dennison

(\$ in millions)	2019	2020	2021	2022	2023	2020-2023 3-Yr CAGR
Net sales	\$ 7,070.1	\$ 6,971.5	\$ 8,408.3	\$ 9,039.3	\$ 8,364.3	
Reported net sales change	(1.2%)	(1.4%)	20.6%	7.5%	(7.5%)	
Foreign currency translation	3.3%	0.9%	(3.4%)	5.6%	0.6%	
Extra week impact		(1.3%)	1.4%			
Sales change ex. currency ⁽¹⁾	2.0%	(1.7%)	18.6%	13.1%	(6.9%)	7.7%
Acquisitions/Divestitures		(1.7%)	(3.1%)	(3.6%)	(0.8%)	
Organic sales change ⁽¹⁾	2.0%	(3.4%)	15.6%	9.5%	(7.7%)	5.3%

(1) Totals may not sum due to rounding

January 31, 2024 Preliminary & unaudited, Q4 & FY 2023 financial review and analysis

Adjusted operating margin and EBITDA – Avery Dennison

(\$ in millions)	2019	2020	2021	2022	2023	2020-2023 3-Yr CAGR
Net sales	\$ 7,070.1	\$ 6,971.5	\$ 8,408.3	\$ 9,039.3	\$ 8,364.3	
Reconciliation of adjusted EBITDA from GAAP:						
As reported net income	\$ 303.6	\$ 555.9	\$ 740.1	\$ 757.1	\$ 503.0	
Interest expense	75.8	70.0	70.2	84.1	119.0	
Other non-operating expense (income), net	445.2	1.9	(4.1)	(9.4)	(30.8)	
Provision for income taxes	(56.7)	177.7	248.6	242.2	191.7	
Equity method investment losses	2.6	3.7	3.9	---	---	
Operating income before interest expense, other non-operating expense (income), taxes, and equity method investment losses, as reported	\$ 770.5	\$ 809.2	\$ 1,058.7	\$ 1,074.0	\$ 782.9	
Operating margins, as reported	10.9%	11.6%	12.6%	11.9%	9.4%	
Non-GAAP adjustments:						
Restructuring charges:						
Severance and related costs, net of reversals	45.3	49.1	10.5	7.6	70.8	
Asset impairment and lease cancellation charges	5.1	6.2	3.1	0.1	8.6	
Other items	2.8	(1.7)	(8.0)	(8.3)	101.5	
Adjusted operating income (non-GAAP)	\$ 823.7	\$ 862.8	\$ 1,064.3	\$ 1,073.4	\$ 963.8	
Adjusted operating margins (non-GAAP)	11.7%	12.4%	12.7%	11.9%	11.5%	
Depreciation and amortization	\$ 179.0	\$ 205.3	\$ 244.1	\$ 290.7	\$ 298.4	
Adjusted EBITDA (non-GAAP)	\$ 1,002.7	\$ 1,068.1	\$ 1,308.4	\$ 1,364.1	\$ 1,262.2	5.7%
Adjusted EBITDA margins (non-GAAP)	14.2%	15.3%	15.6%	15.1%	15.1%	

Adjusted EPS

	2019	2020	2021	2022	2023	2020-2023 3-Yr CAGR
As reported net income per common share, assuming dilution	\$ 3.57	\$ 6.61	\$ 8.83	\$ 9.21	\$ 6.20	
Non-GAAP adjustments per common share, net of tax:						
Restructuring charges and other items ⁽¹⁾	\$ 0.47	\$ 0.48	\$ 0.05	\$ (0.06)	\$ 1.85	
Argentine interest income					\$ (0.15)	
Pension plan settlements, curtailment losses, and related charges	\$ 3.12	\$ 0.01	\$ 0.03			
Tax benefit from discrete foreign tax structuring and planning transactions	\$ (0.56)					
Adjusted net income per common share, assuming dilution (non-GAAP)	\$ 6.60	\$ 7.10	\$ 8.91	\$ 9.15	\$ 7.90	3.6%

The adjusted tax rate was 25.8%, 24.7%, 25.0%, 24.1%, and 24.6% for 2023, 2022, 2021, 2020, and 2019, respectively.

(1) Includes restructuring and related charges, transaction and related costs, gain/(loss) on venture investments, gain/(loss) on sale of assets, gain on sale of product line, outcomes of legal proceedings, Argentine peso remeasurement loss, reversal of acquisition related contingent consideration, and other items.

Return on total capital (ROTC)

(\$ in millions)	2019 ⁽¹⁾	2020	2021 ⁽²⁾	2022	2023 ⁽²⁾⁽³⁾
As reported net income	\$ 303.6	\$ 555.9	\$ 740.1	\$ 757.1	\$ 503.0
Interest expense, net of tax benefit	\$ 57.2	\$ 53.1	\$ 52.7	\$ 63.7	\$ 86.2
Intangible amortization, net of tax benefit	\$ 10.2	\$ 15.1	\$ 33.5	\$ 62.0	\$ 62.5
Effective Tax Rate	24.6%	24.1%	25.0%	24.2%	27.6%
Net income, excluding					
interest expense and intangible amortization, net of tax benefit	\$ 371.0	\$ 624.1	\$ 826.3	\$ 882.8	\$ 651.7
Total debt	\$ 1,939.5	\$ 2,116.8	\$ 3,104.7	\$ 3,102.1	\$ 3,244.3
Shareholders' equity	\$ 1,204.0	\$ 1,484.9	\$ 1,924.4	\$ 2,032.2	\$ 2,127.9
Total debt and shareholders' equity	\$ 3,143.5	\$ 3,601.7	\$ 5,029.1	\$ 5,134.3	\$ 5,372.2
Return on total capital (non-GAAP)	12.2%	18.5%	19.1%	17.4%	12.4%

(1) includes impact of U.S. pension plan termination

(2) includes impact of contingent liability related to the Adasa legal matter

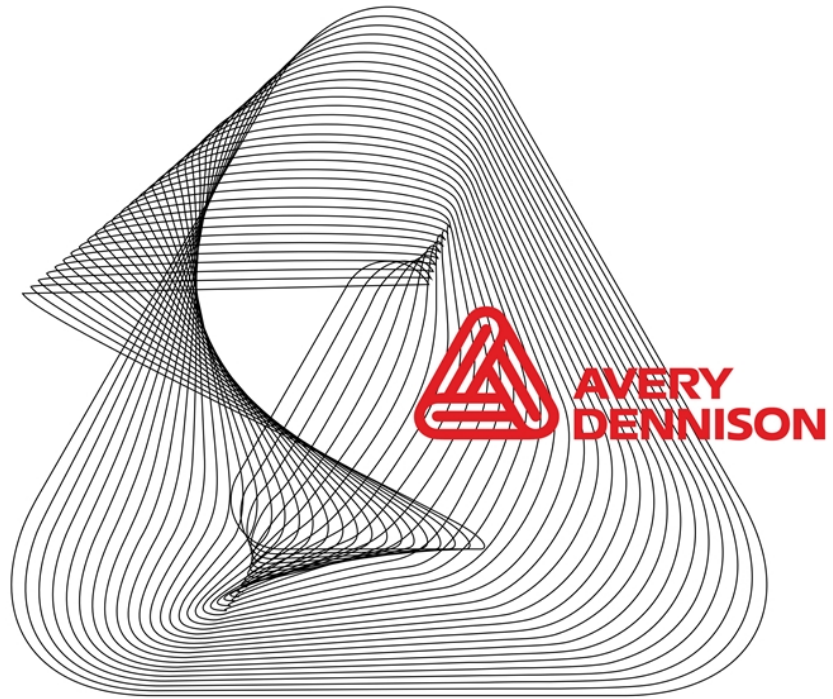
(3) includes impact of remeasurement of Argentine peso

Adj. EBITDA and adj. EPS change ex. currency – Avery Dennison

	2020	2021	2022	2023	2020-2023 3-Yr CAGR
Adj. EBITDA (Non-GAAP)	\$ 1,068.0	\$ 1,308.0	\$ 1,364.0	\$ 1,262.0	
Adj. EBITDA change vs. PY		22.5%	4.3%	-7.5%	5.7%
Foreign currency translation		-4.2%	6.9%	1.4%	
Adj. EBITDA change ex. currency (non-GAAP)⁽¹⁾		18.3%	11.1%	-6.1%	7.3%

	2020	2021	2022	2023	2020-2023 3-Yr CAGR
Adj. EPS (Non-GAAP)	\$ 7.10	\$ 8.91	\$ 9.15	\$ 7.90	
Adj. EPS change vs. PY		25.5%	2.7%	-13.7%	3.6%
Foreign currency translation		-5.1%	8.1%	1.5%	
Adj. EPS change ex. currency (non-GAAP)⁽¹⁾		20.4%	10.8%	-12.1%	5.4%

(1) Totals may not sum due to rounding



© 2023 Avery Dennison Corporation. All rights reserved. Avery Dennison and all other Avery Dennison brands, product names and codes are trademarks of Avery Dennison Corporation. All other brands or product names are trademarks of their respective owners. Fortune 500® is a trademark of Time, Inc. Branding and other information on any samples depicted is fictitious. Any resemblance to actual names is purely coincidental.