

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



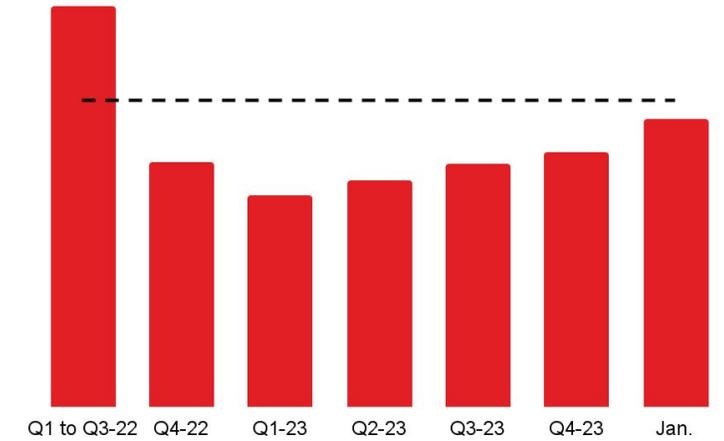
Source: University of Michigan

U.S. Business Sentiment (Mfg. PMI)

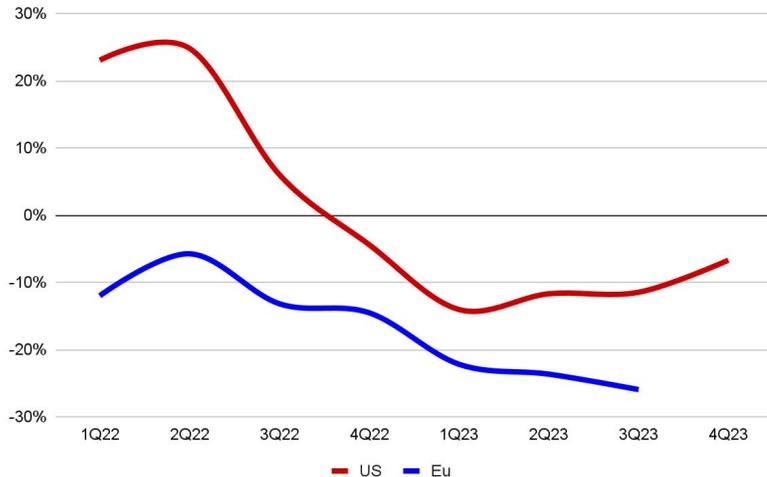


Source: Institute for Supply Management

Avg. AVY Label Volume (NA + Europe)



Apparel Imports % vs. 2019



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

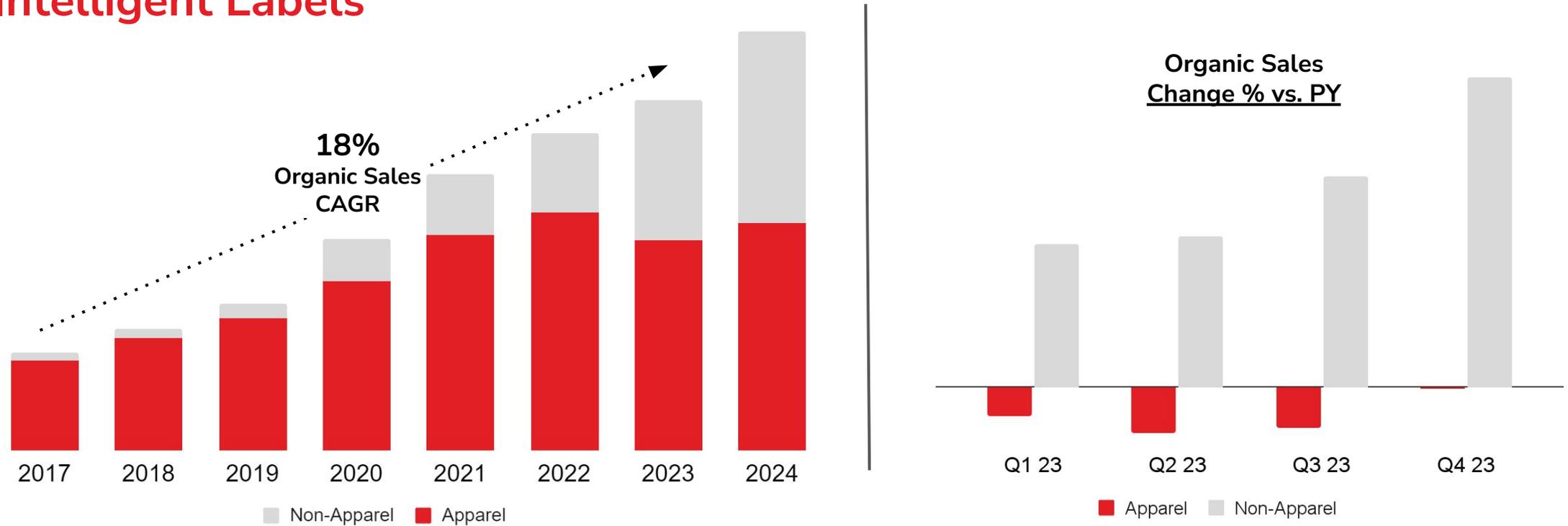
U.S. Apparel Inventory to Sales Ratio



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%

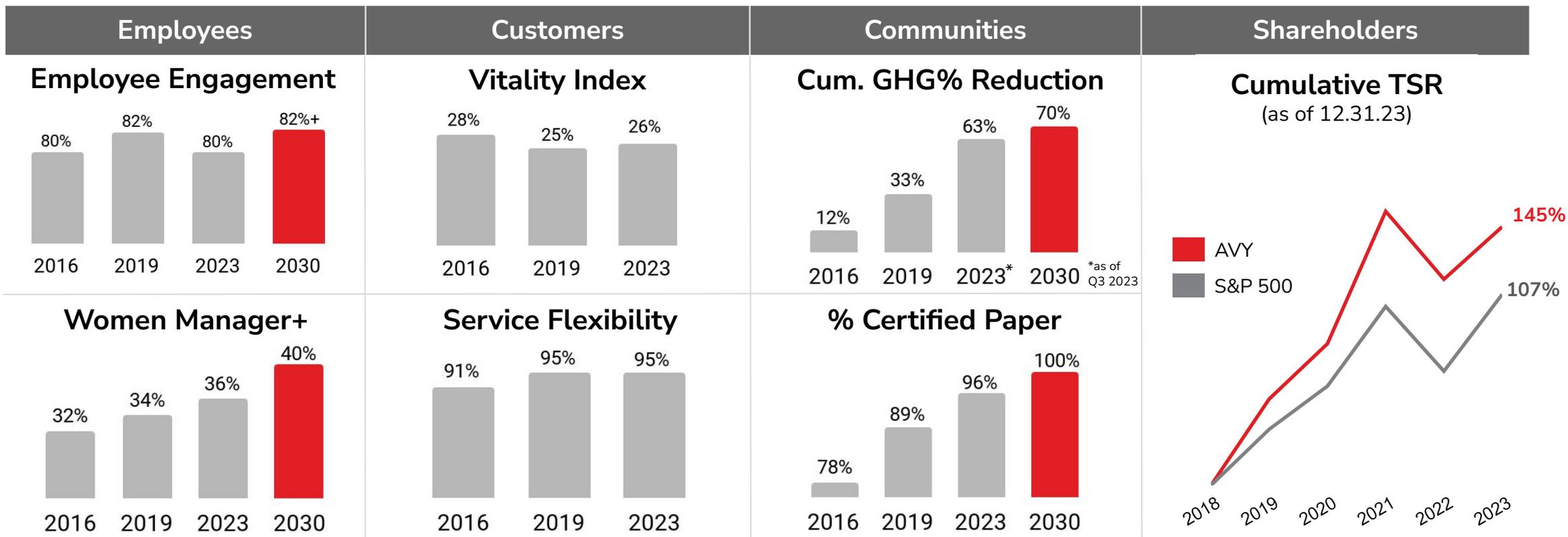
Following challenging 2023, expect progress toward long-term targets in 2024 as label and apparel markets rebound and IL growth accelerates

	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.

Balanced scorecard measuring progress for key stakeholders



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



Deliver innovations that advance the circular economy



Reduce the environmental impact in our operations and supply chain



Make a positive social impact by enhancing the livelihood of our people and communities

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 dollars. The x-axis represents years from 2024 to 2030+. The y-axis represents the amount of debt maturing in each year. The bars are: 2024: \$300M; 2025: \$575M*; 2026: \$0M; 2027: \$0M; 2028: \$500M; 2029: \$0M; 2030+: \$1550M.</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

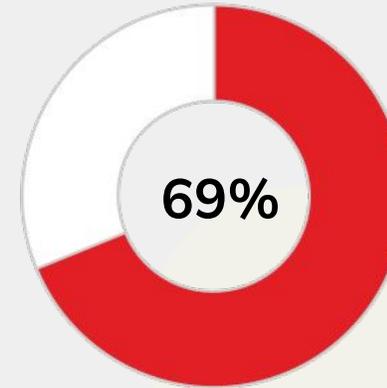
Reported sales decreased 2% to \$1.4 bil.

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

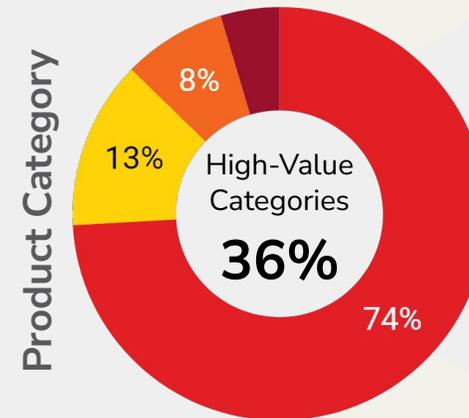
Reported operating margin of 12.0%

- 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



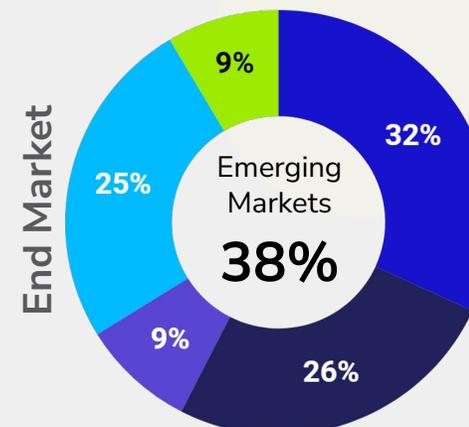
AVY '23 Sales by Segment

- 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

Fourth Quarter 2023 Results

Solutions Group

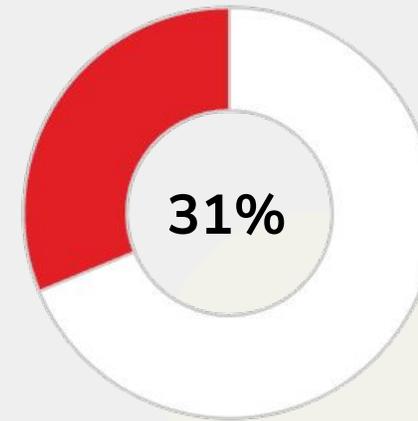
Reported sales increased 18% to \$692 mil.

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

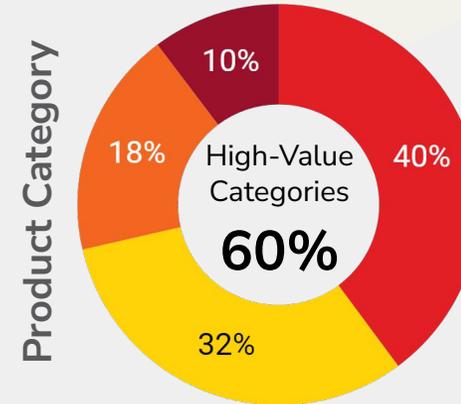
Reported operating margin of 10.2%

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



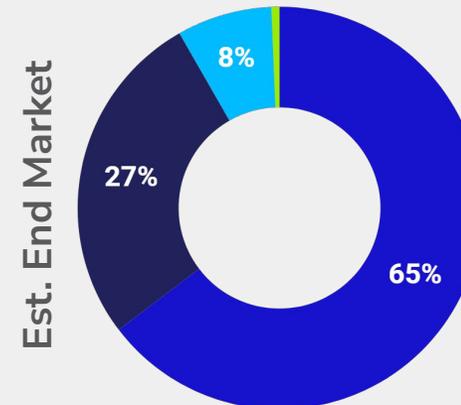
AVY '23 Sales by Segment

- 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

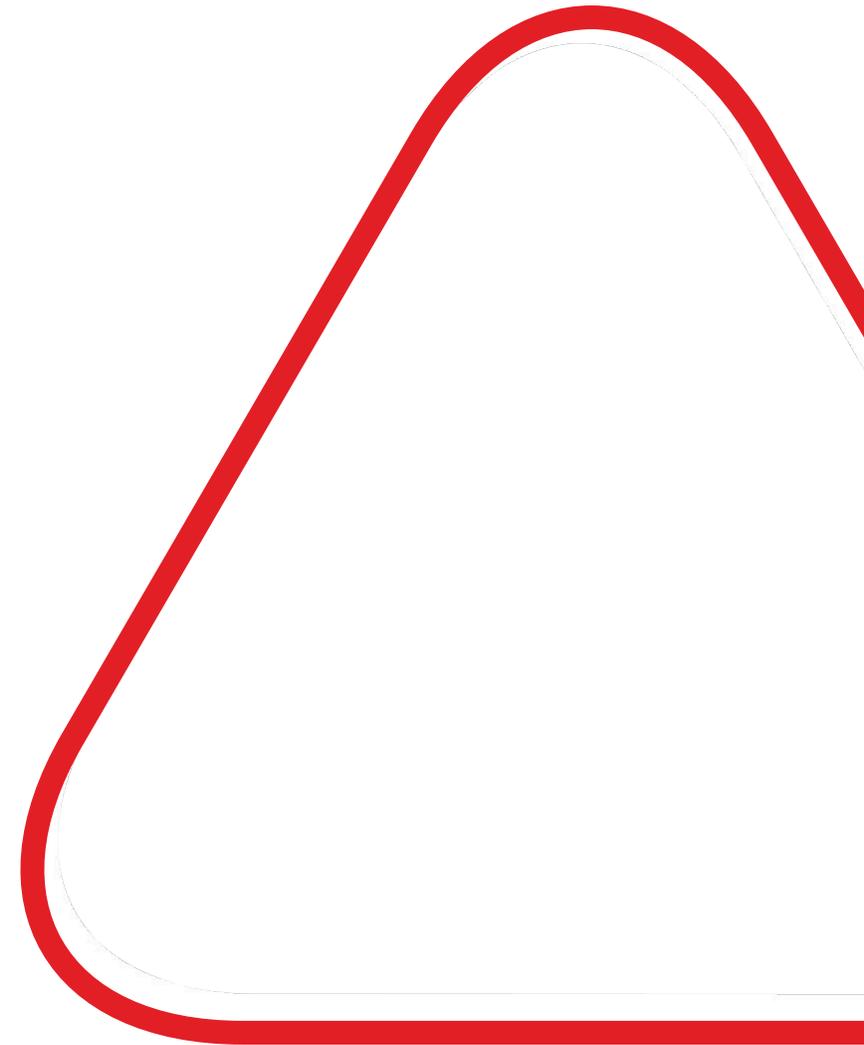
Reported EPS	\$8.65 - \$9.15
Add Back:	
Est. restructuring costs and other items	~\$0.35
Adjusted EPS	\$9.00 - \$9.50

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

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%	
<u>Non-GAAP adjustments:</u>						
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	
<u>Non-GAAP adjustments per common share, net of tax:</u>						
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

