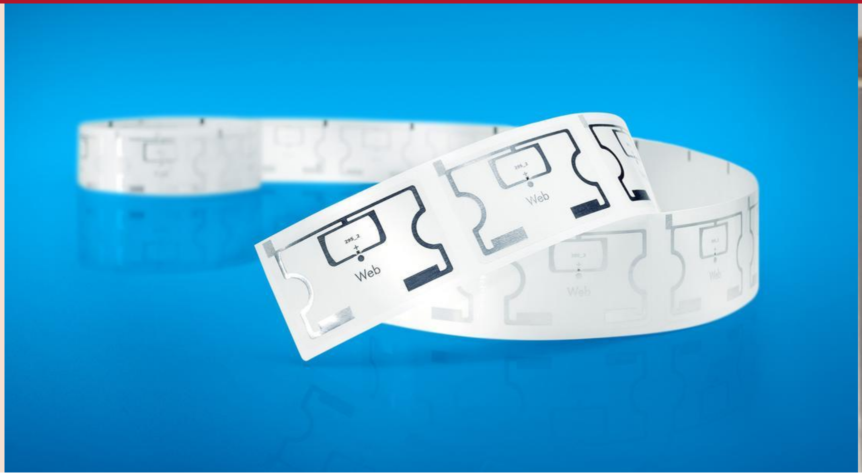
AVERY DENNISON

Investor Presentation

March 2024



Forward-Looking Statements

Certain statements contained in this document are "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements, and financial or other business targets, are subject to certain risks and uncertainties. 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 economic, social, political and market conditions; changes in political conditions, including those related to China, the Russia-Ukraine war, the Israel-Hamas war and related hostilities in the Middle East; fluctuations in foreign currency exchange rates; and other risks associated with international 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, laws and regulations, tariffs and customer preferences; increasing environmental standards; 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; restructuring and other productivity actions; 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; our sustainability and governance practices; and epidemics, pandemics or other outbreaks of illness
- Information Technology – disruptions in information technology systems, cyber attacks or other security breaches; and successful installation of new or upgraded information technology systems
- 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
- 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 in 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, compliance and anti-corruption, environmental, 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 2023 Form 10-K, filed with the Securities and Exchange Commission on February 21, 2024.

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.

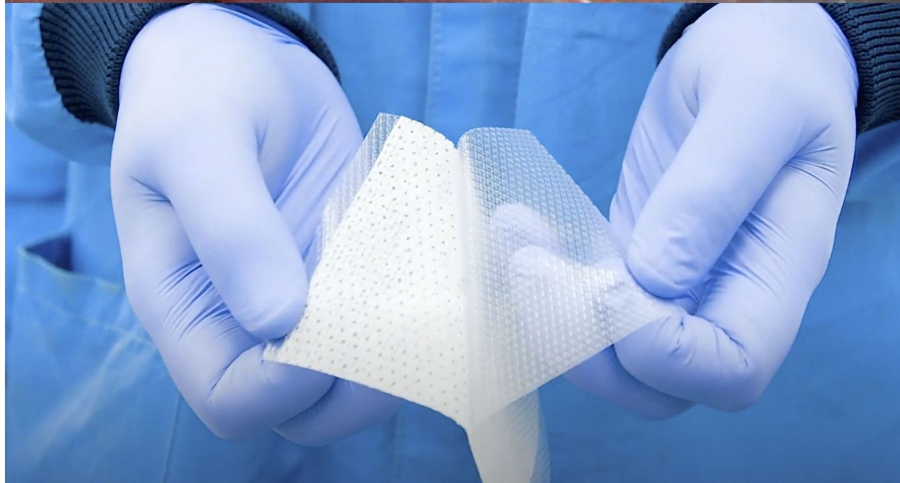
Use of Non-GAAP Financial Measures

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.

OVERVIEW

Creating superior long-term value

- **Consistent GDP+ growth with top-quartile returns**
- **#1 player in primary businesses, leveraging strong competitive advantages**
- **Large, growing and diverse end markets**
- **Successfully executing key strategies**
  - Drive outsized growth in high-value categories
  - Grow profitably in our base businesses
  - Lead at the intersection of the physical and digital
  - Effectively allocate capital and focus relentlessly on productivity
  - Lead in an environmentally and socially responsible manner
- **Consistently delivering against our long-term objectives while continuing to raise the bar**

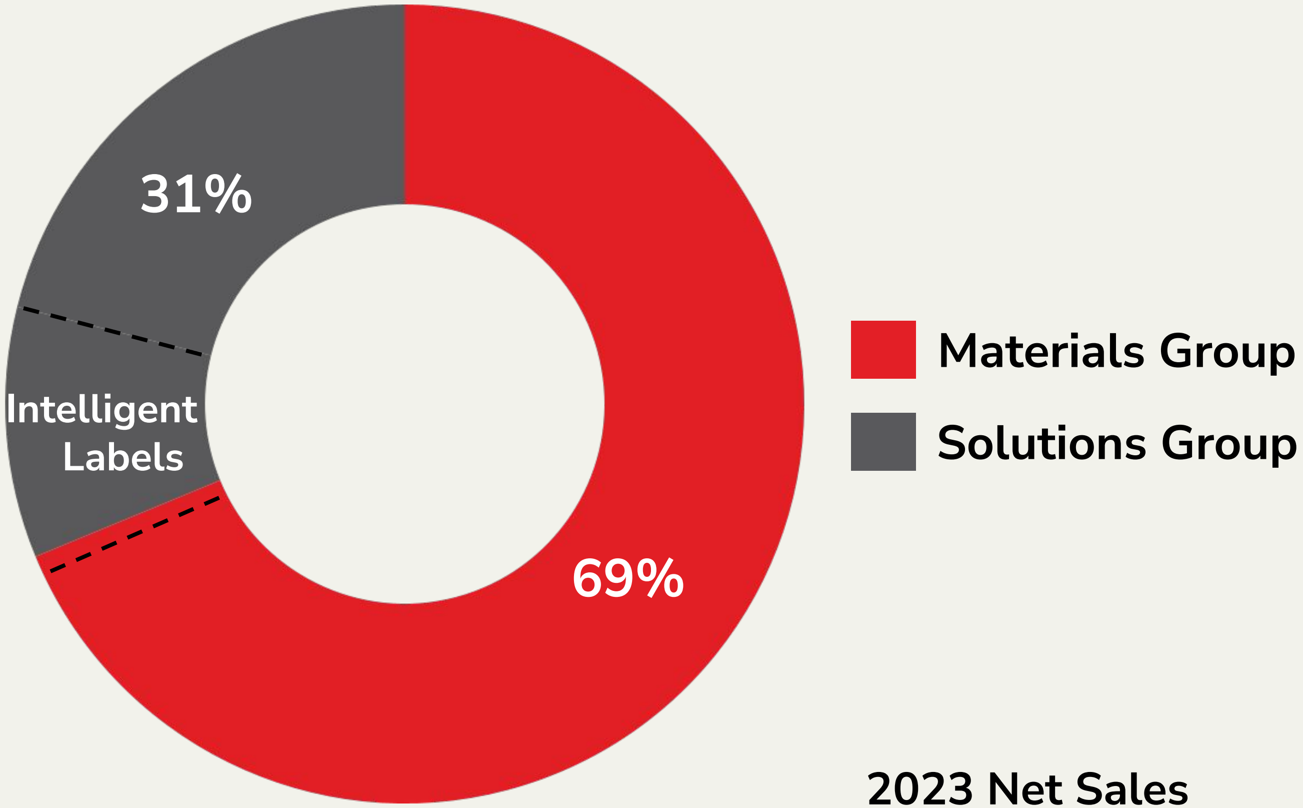


AVERY DENNISON

Avery Dennison at a glance

- **Recognized industry leader**
    - ~35,000 employees
    - Operations in more than 50 countries
    - Global materials science and digital identification solutions company
    - Provider of 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
- **Sustainable competitive advantages**
    - Global scale; over 200 operating locations
    - Innovative materials science capabilities; vertically integrated in adhesives
    - Advanced process technology
    - Operational and commercial excellence

Sales by Segment

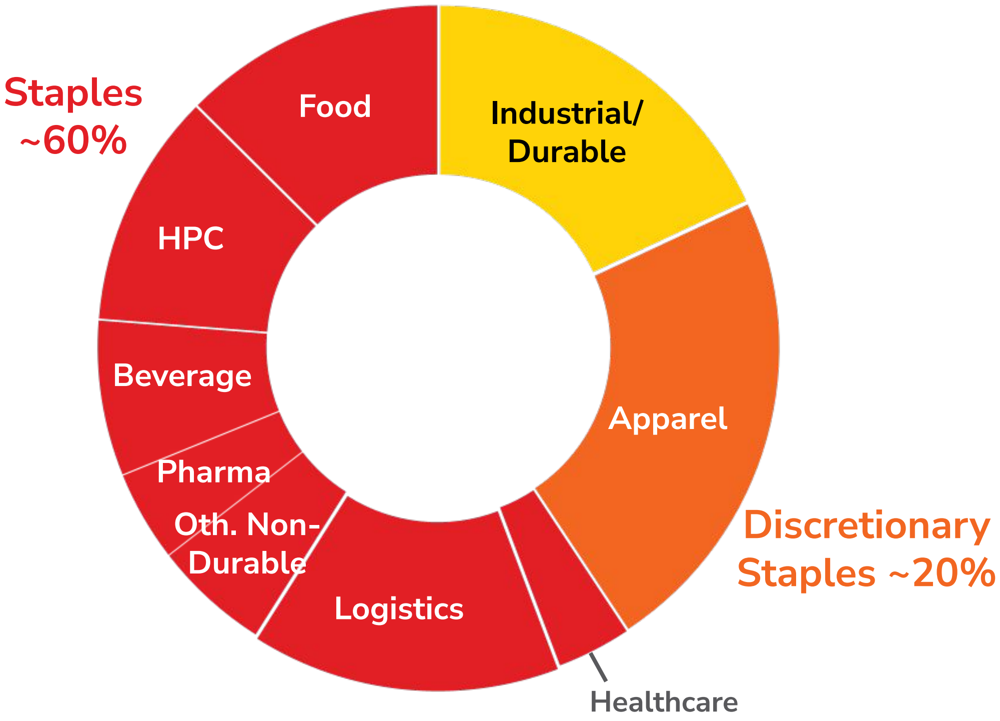


2023 Net Sales

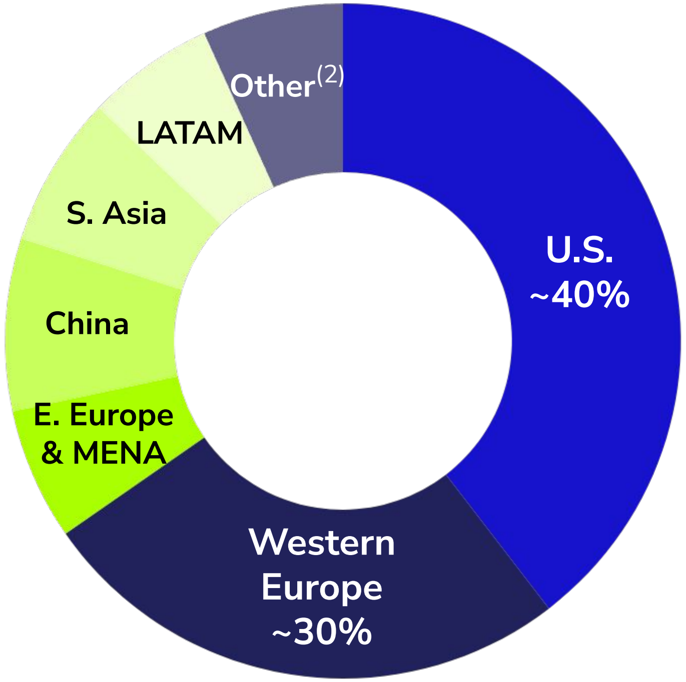
$8.4 billion

Broad exposure to diverse end markets

Sales by End Market Category(1)



Sales by Geographic End Market(1)



(1) FY23 sales
(2) Includes Australia, Canada, Japan, New Zealand, and South Africa

Catalysts for consistent GDP+ top-line growth

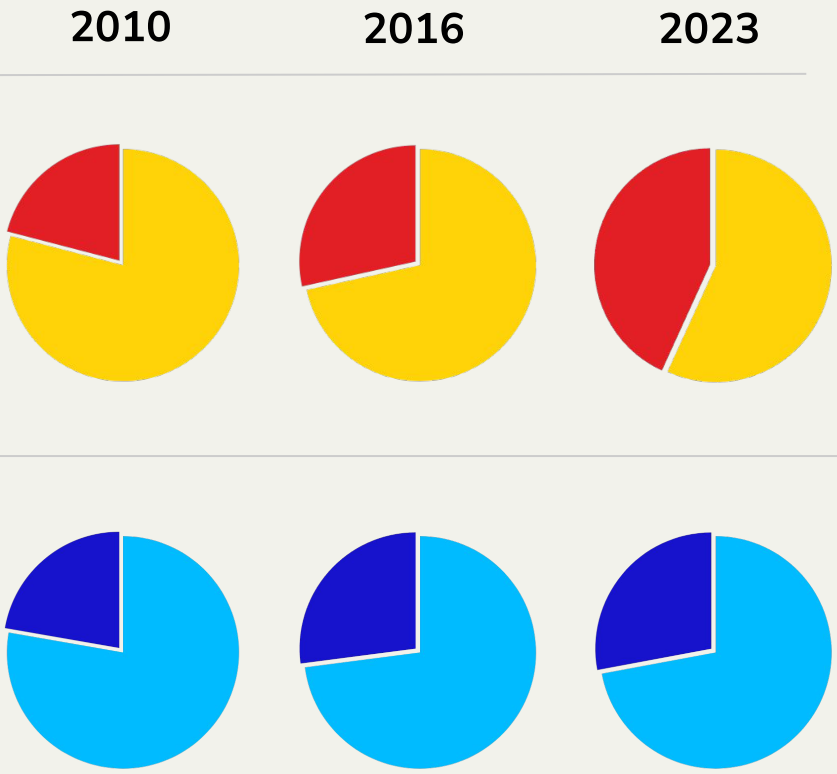
High-value Categories
~$3.6B

- Secular trends drive GDP+ growth
- Intelligent Labels that use RFID tags and inlays, specialty and durable label materials, graphics and reflective solutions, industrial tapes, external embellishments, and shelf-edge pricing solutions

Emerging Markets
~$2.3B(2)

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

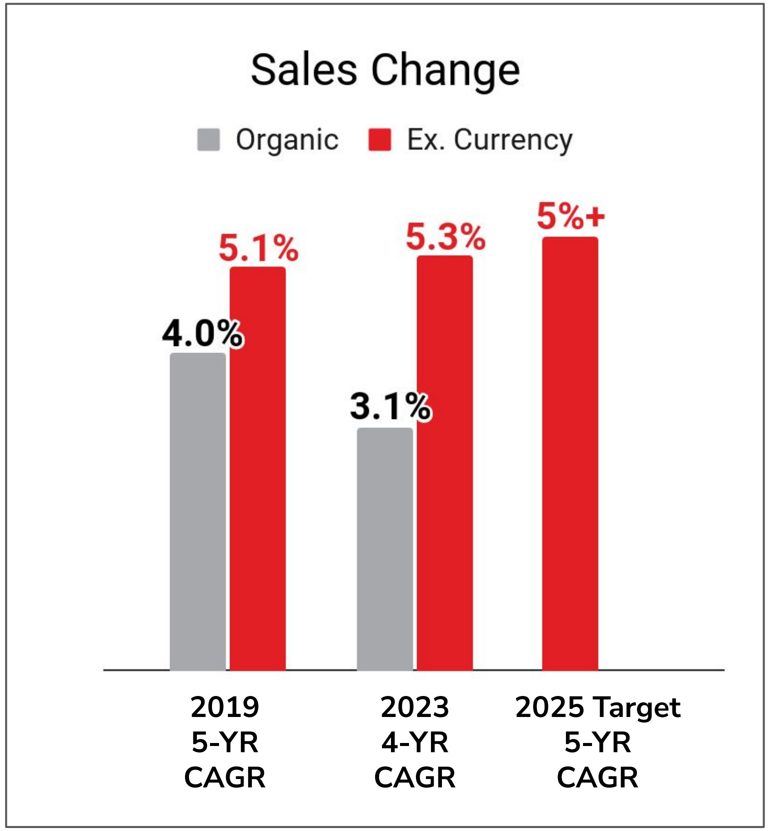
Portfolio Shift *(% of total sales(1))*

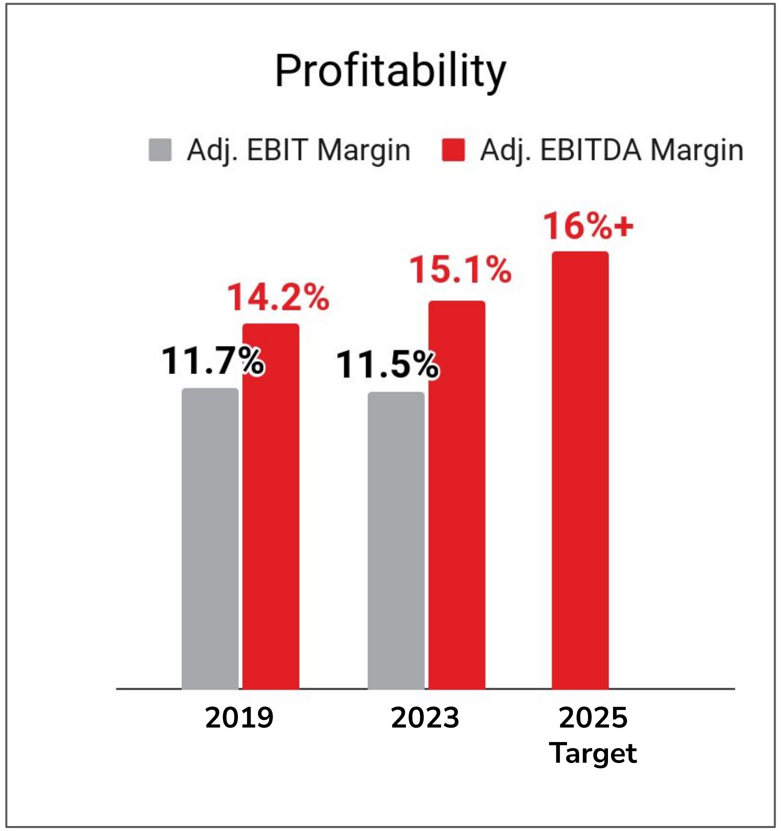


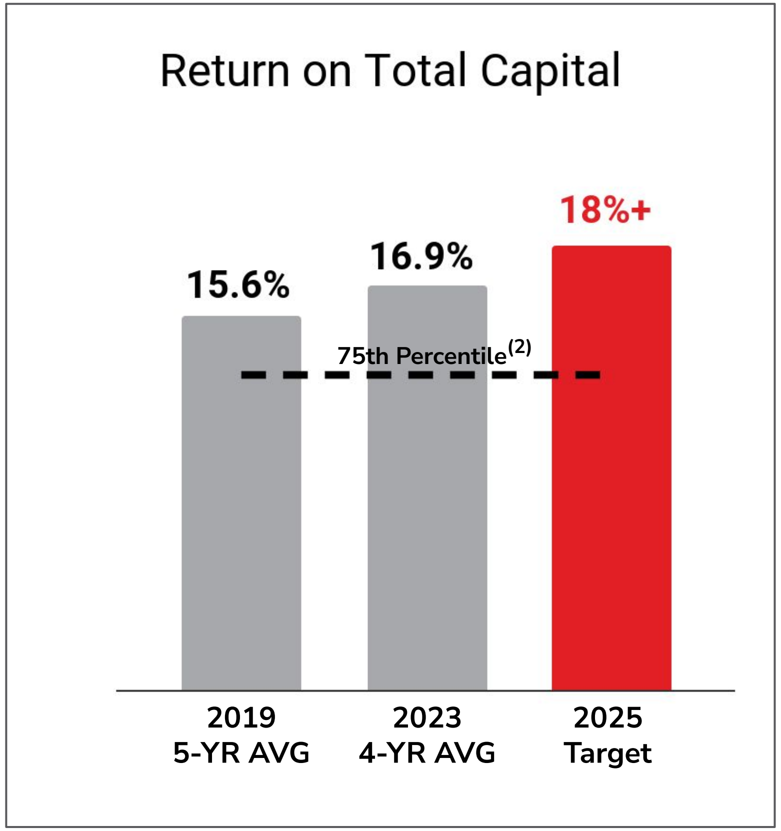
~60% of total sales tied to one or both of these categories

(1) Constant currency
(2) Approximately one-third of emerging market sales are in high-value categories, which are included in the ~$3.6B above.

GDP+ growth and top-quartile returns drive continued superior value creation







Global GDP[1]	3.0%	2.2%	3.4%

(1) Source: IHS Markit
(2) 75th percentile refers to peer group used to benchmark relative TSR (see p. 69 of 2023 Proxy Statement)

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.

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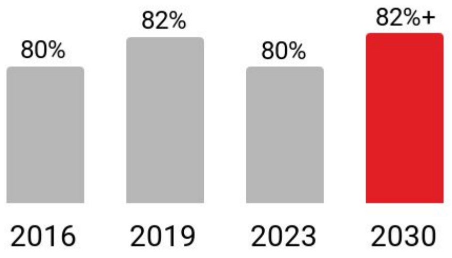
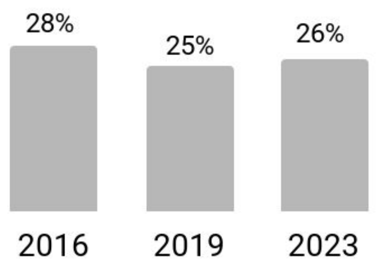
Balanced scorecard: Continuing to deliver for all of our key stakeholders

Employees	Customers	Communities	Shareholders

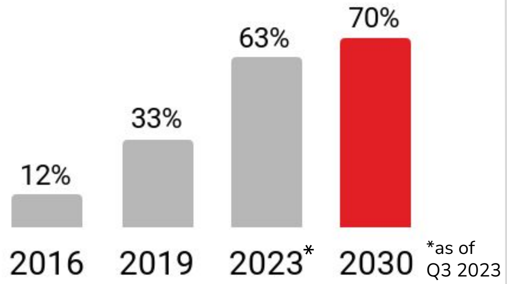
Employee Engagement



Vitality Index

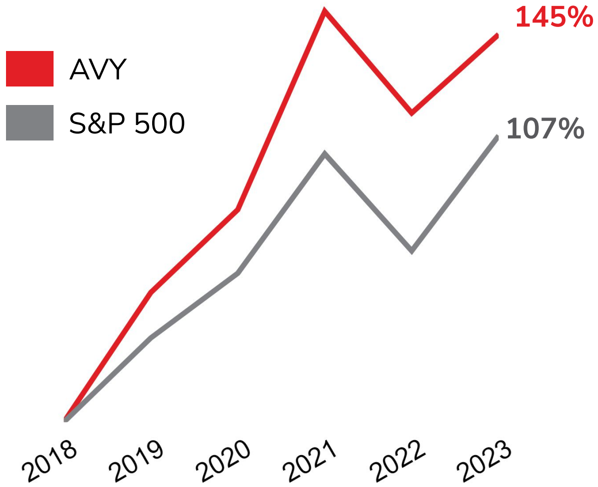


Cum. GHG% Reduction

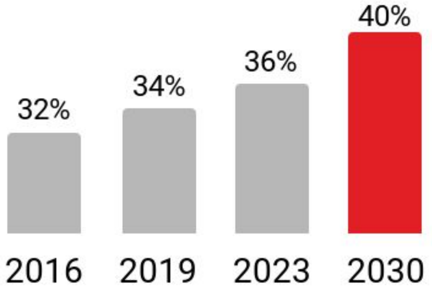


Cumulative TSR

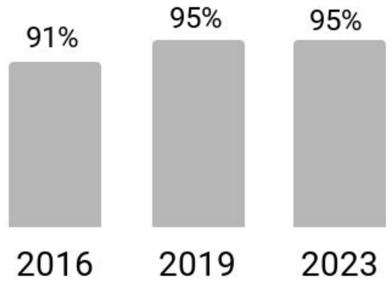
(as of 12.31.23)



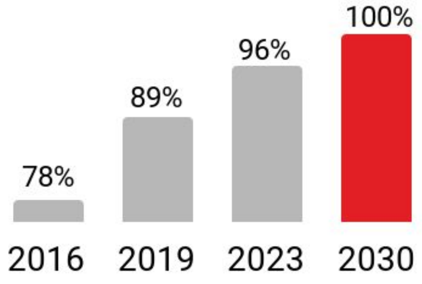
Women Manager+



Service Flexibility



% Certified Paper



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

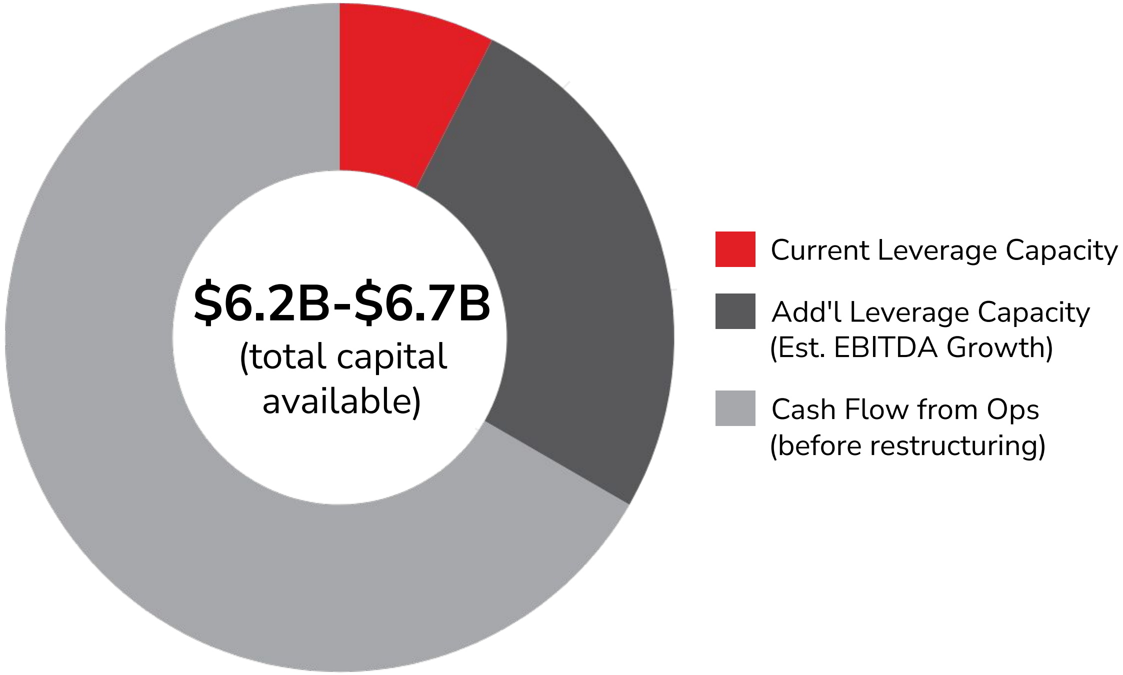
Our 2023 Sustainability Goals

Goals	Targets
Deliver innovations that advance the circular economy	Satisfy the recycling, composting or reuse requirements of all single-use consumer packaging and apparel with our products and solutions. **Solutions Group:** 100% of core product categories will meet our third-party verified Sustainable ADvantage Standard **Materials Group:** 100% of our standard label products will contain recycled or renewable content. All of our regions will have labels that enable circularity of plastics.
Reduce the environmental impact in our operations and supply chain	Reduce our Scope 1 and 2 GHG emissions by **70%** from our 2015 baseline Work to reduce our 2018 baseline Scope 3 GHG emissions by **30%**, with an ambition of **net zero** by 2050
	Source **100%** of paper fiber from certified sources
	Divert **95%** of our waste away from landfills, with a minimum of **80%** of our waste recycled and the remainder either reused, composted or sent to energy recovery
	Deliver a **15%** increase in water efficiency at our sites that are located in high or extremely high risk countries
Make a positive social impact by enhancing the livelihood of our people and communities	Foster an engaged team and inclusive workplace by ensuring our employees represent the community in which they live and work. Metrics: **85%** inclusion index, **82%** employee engagement, **40%** women in manager level or above positions, safety **0.2** RIR
	Support the participation of our employees in Avery Dennison Foundation grants and foster the well-being of the communities in which we and our supply chain operate.

To learn more, visit esg.averydennison.com

Disciplined approach to capital allocation

Capital Sources
(2021-2025 cumulative)



Capital Uses
(% of total cap. avail.)

	2021-2025 Long-term	2021-2023 Results
Capex/Restructuring	25%-30%	23%
Dividends	~20%	17%
Buyback/M&A	~50%	60%

Note: Continuing to target 2.3x to 2.6x Net Debt to Adjusted EBITDA

M&A and other forms of external partnership accelerate our strategy

- Targeting high-value categories and near adjacencies
- Leveraging our global scale and core competencies
- Disciplined investment with clear financial criteria

ZippyYum Vestcom TexTrace JDC

Thermopatch SILVER CRYSTAL GROUP LIONBROTHERS IDENTITY MATTERS RTVPRINT.COM

Segment Overview

Our Businesses at a Glance

Materials Group

$5.8 bil.(1)

Pressure-sensitive materials

- Label materials (LPM)
- Graphic and reflective materials
- Functional materials (e.g., tapes)

Solutions Group

$2.6 bil.(1)

- RFID solutions
- Branded tag and embellishment solutions
- Data management and identification solutions
- Pricing and productivity solutions

(1) FY 2023 Net Sales

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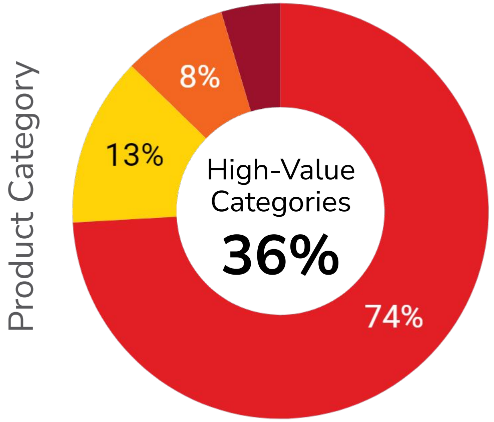
Materials Group

2023 Financial Snapshot

Net Sales	**$5.8 bil.**
Sales Change Ex. Currency 5-YR CAGR	**2.5%**
Adj. EBITDA Margin	**15.8%**

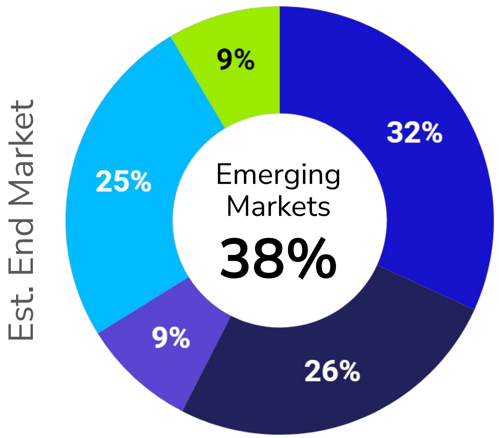
AVY 2023 Sales by Segment

Materials Group	Solutions Group
69%	31%



2023 Sales by Product

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



2023 Sales by Geography

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

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Materials Group delivers growth and high returns

Leader in growing self-adhesive label industry
(~2.5X next largest competitor)

Clear and sustainable competitive advantages

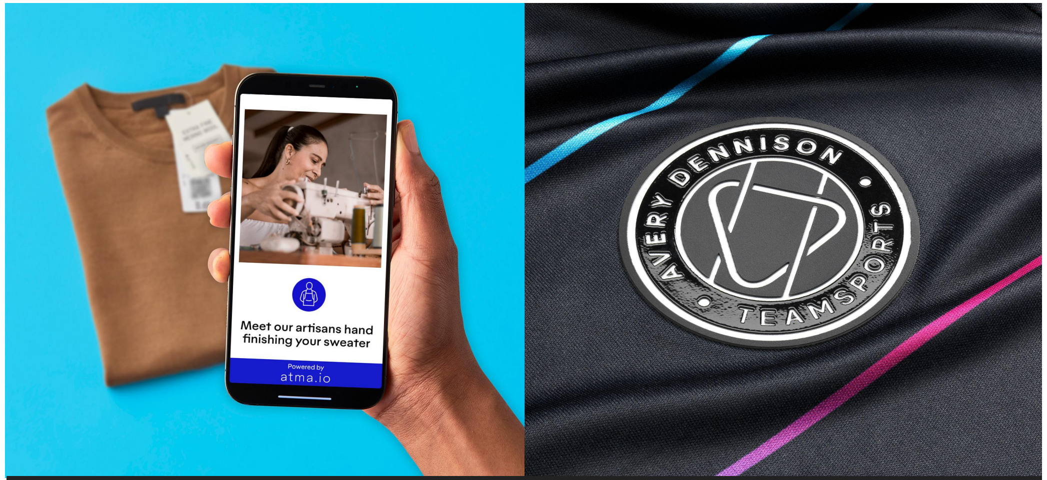
- Global scale, materials science and process technology
- Operational and commercial excellence
- Industry-leading innovations enabling functionality and sustainability

Catalysts for growth above GDP

- Increasing trends in premium packaging and e-commerce
- Leveraging strengths to win in high-value product categories
- Strong presence in emerging markets

Disciplined approach to profitable growth in base business and relentless focus on productivity and capital efficiency

Solutions Group

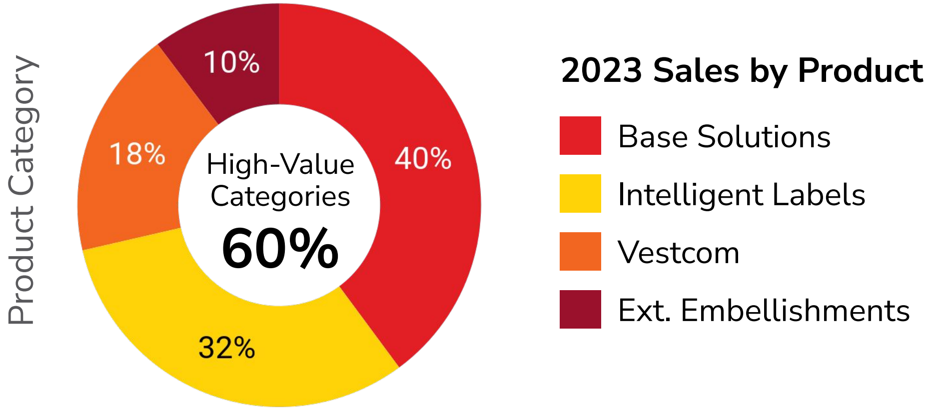


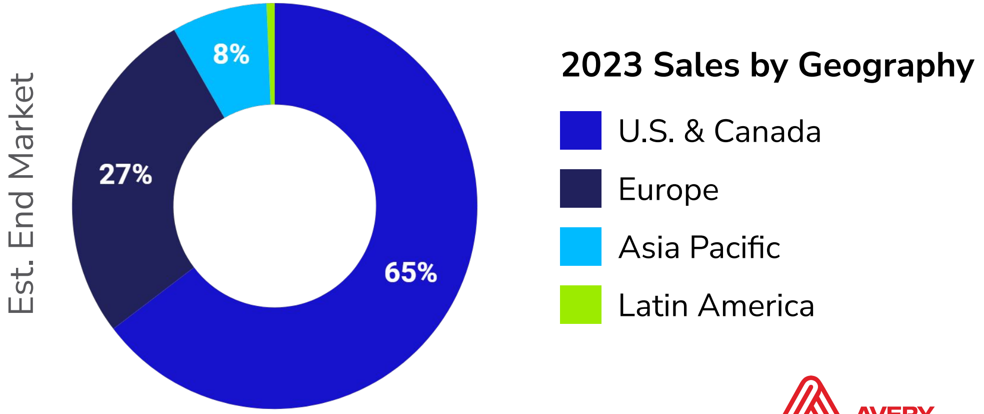
2023 Financial Snapshot

Net Sales	**$2.6 bil.**
Sales Change Ex. Currency 5-YR CAGR	**11.0%**
Adj. EBITDA Margin	**16.6%**

AVY 2023 Sales by Segment

Materials Group	**Solutions Group**
69%	**31%**



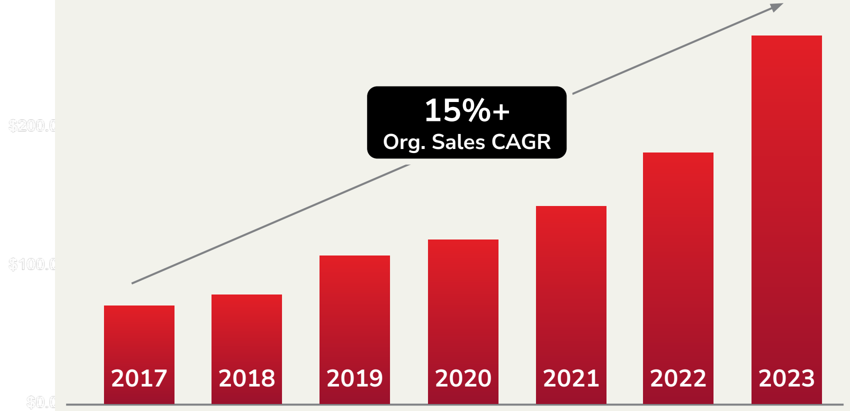


Solutions Group, shifting portfolio to higher value

- Leader in global branding and identification solutions, helping solve complex industry problems
- Clear and sustainable competitive advantages
    - Scale, innovation and solutions capability (helping lead customers through key digital initiatives, such as omnichannel, IoT and supply chain visibility)
- Significant growth catalysts in Intelligent Labels and external embellishments
- Well-positioned for profitable growth in the base business over the long term
- Leveraging customer access and identification/IL solutions to deliver success in logistics, food and other markets

Embelex, our platform to drive value across external embellishments

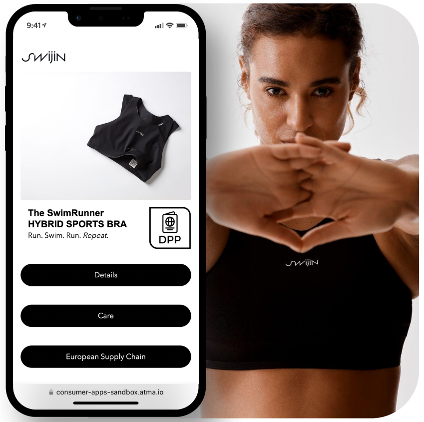
Delivering strong growth…



- Enabling consumer experiences by connecting the **physical** and **digital**
- Accelerating share gain through increased **pace of innovation**
- Driving strategic **partnerships** across global **brands, teams and leagues**
- **Expanding capabilities** and segment access **through M&A**

Customization and Personalization

Elevating Brand Identity



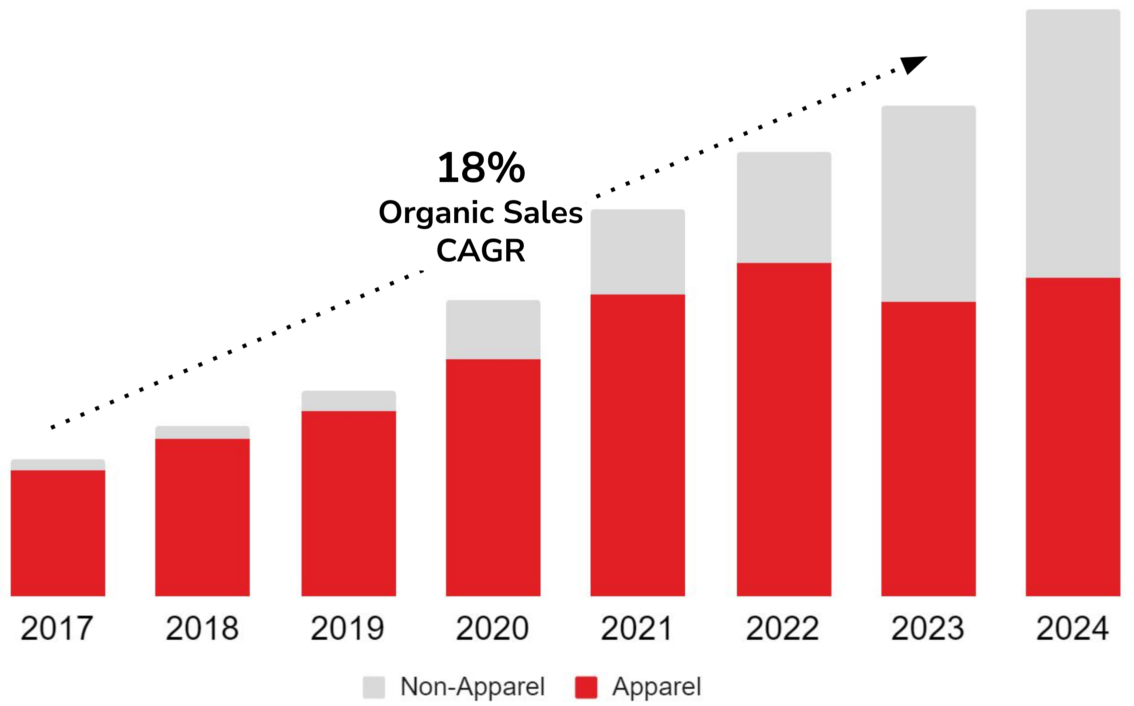
Consumer Experience

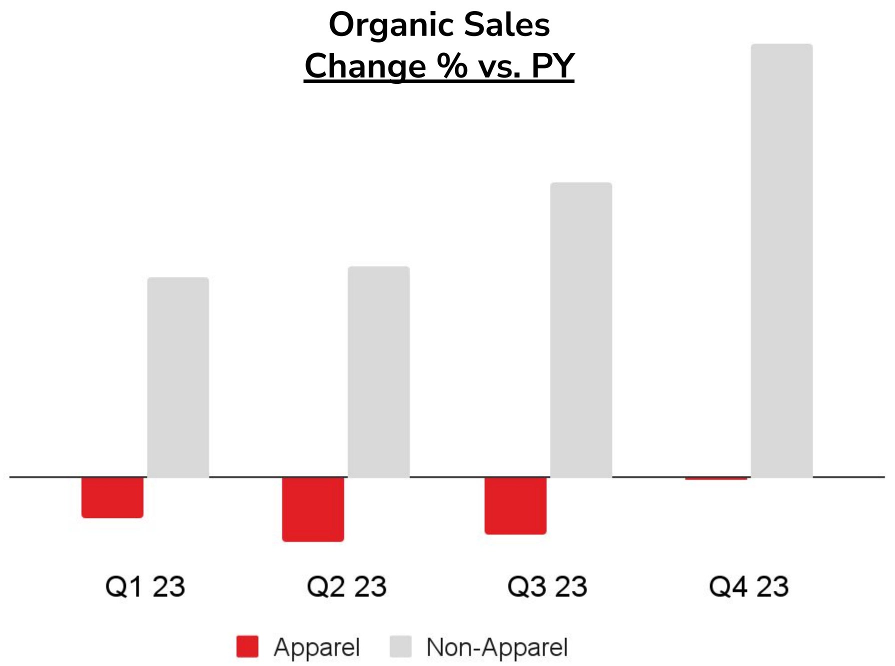
A Force for Good

Differentiators:

- Global scale
- Value/Solution Selling Approach
- Sustainability
- Product Breadth

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**

RFID technology — key capabilities

Fast, accurate automated data capture

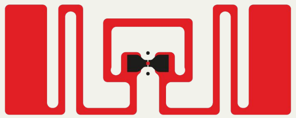
Up to
1000 items/sec

No line of sight requirement

30 ft
read-range

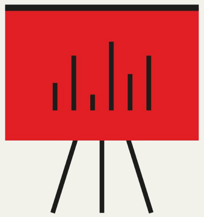
Connecting the physical and digital

Item level serialization/ identification



No maintenance

Battery-free



Low cost

Tens of billions of items already tagged to-date

Helping Address Key Industry Challenges

Optimizing labor and supply chain efficiency

Our solutions help automate manual tasks to drive productivity and free up supply chain and retail staff to focus on activities that add value to end consumers.

Reducing waste

Our solutions play an integral role in improving systemic visibility throughout the supply chain, creating opportunity to reduce waste and overproduction across multiple industries.

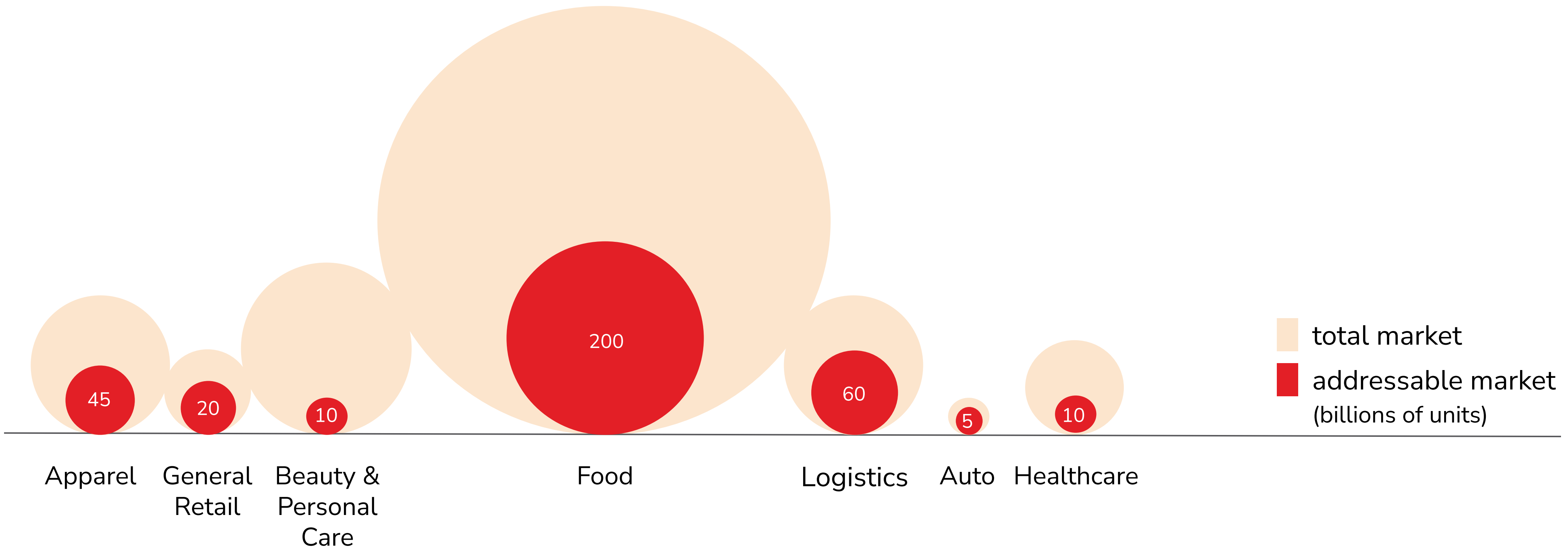
Advancing sustainability, circularity and transparency

Our solutions play a leading role in the visibility, transparency, circularity and sustainability of physical items, enabling traceability across the entire life cycle of an item - from source to recycling and end-of-life disposal.

Helping brands and consumers better connect

Our solutions help brands and consumers better connect and create meaningful personalized experiences. By providing a digital life to physical items, coupled-with branding and enhanced shelf appeal, we offer solutions that transform the customer journey, brand interaction and point-of-sale experience.

Unlocking large, untapped, attractive end markets

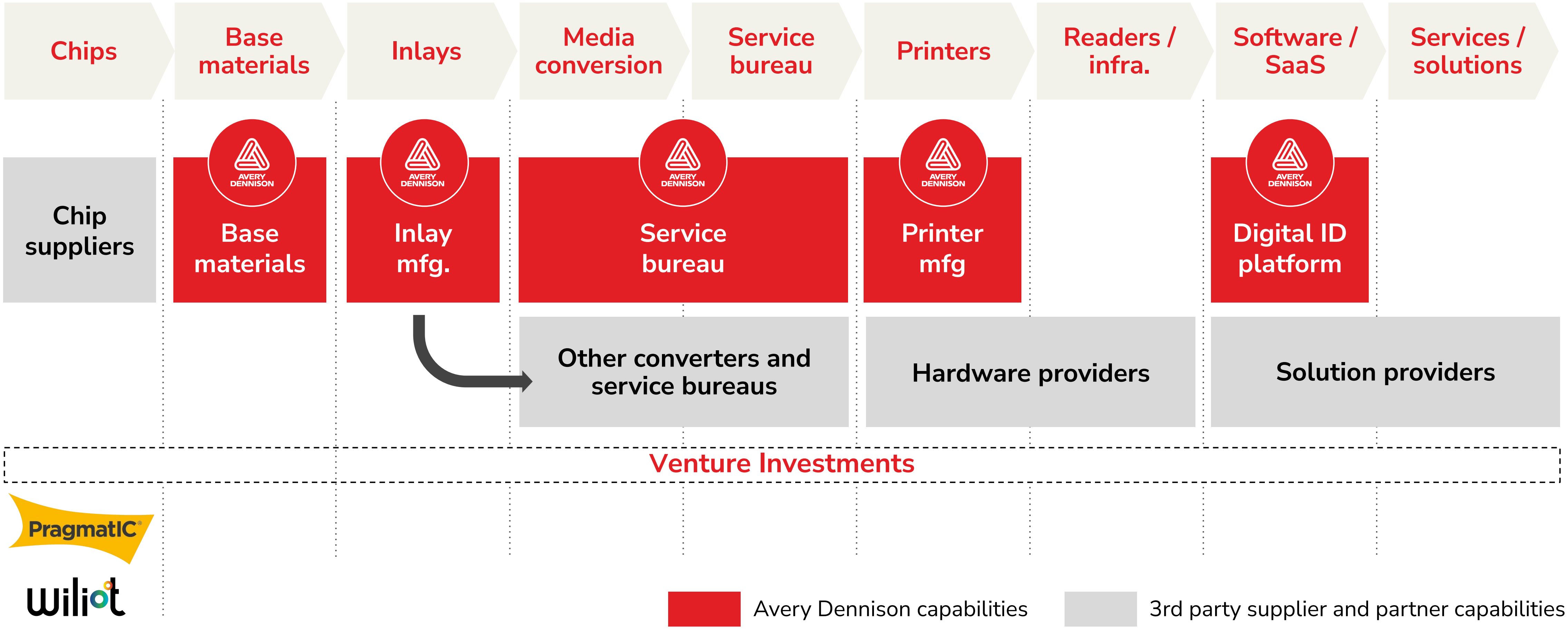


- Significant market opportunity; 350+ billion unit opportunity across retail and industrial segments
- ~40% industry penetration in Apparel; low penetration with meaningful opportunity in other segments
- Compelling macro trends (e.g., automation, sustainability, digitization, traceability)
- Helping solve complex industry challenges

Key benefits by segment — solving critical business needs

		Apparel	Beauty	Food	General Retail	Logistics	Auto	Pharma/ Healthcare
Characteristics	SKU complexity	✓	✓	✓	✓		✓	
	Product density/line of sight	✓	✓	✓	✓	✓		✓
	Omnichannel	✓	✓	✓	✓	✓		
	Perishability/shrink	✓	✓	✓	✓		✓	✓
	Labor cost/constraints	✓	✓	✓	✓	✓	✓	✓
Key Benefits	Increased sales	✓	✓	✓	✓			
	Fewer markdowns/chargebacks	✓		✓		✓	✓	
	Higher velocity					✓	✓	
	Reduced waste/shrink	✓	✓	✓	✓		✓	✓
	Higher labor efficiency		✓	✓	✓	✓		✓
	Increased SC traceability & security		✓	✓			✓	✓

UHF RFID ecosystem



Our competitive advantage — uniquely positioned to win

Innovation	Broadest RF product portfolio with unparalleled materials science expertise	Largest IP portfolio with 1500+ patents and applications worldwide	Open innovation: Investments in new tech Wiliot PragmatIC	Most experienced R&D team in the industry	Digital ID platform to accelerate the connection of physical/digital
Scale	Largest global player with 50%+ UHF RFID share	Broadest manufacturing network; 100B+ inlays produced to date	Proprietary manufacturing Processes with high throughput	Sustainable manufacturing technologies	Vertically integrated capabilities for end-to-end efficiencies
Go-to-market	Proven market adoption process	Deep segment expertise	Strong ecosystem partner	Unparalleled global customer and channel reach	Leading brand in the industry

Appendix A

Select slides from Q4 2023 earnings release

(all forward-looking statements as of January 31, 2024)

and Supplemental Sales Information

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

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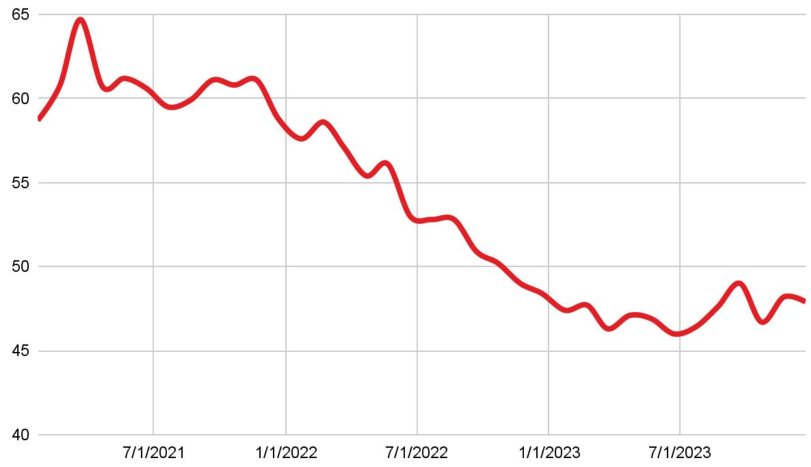
U.S. Consumer Sentiment

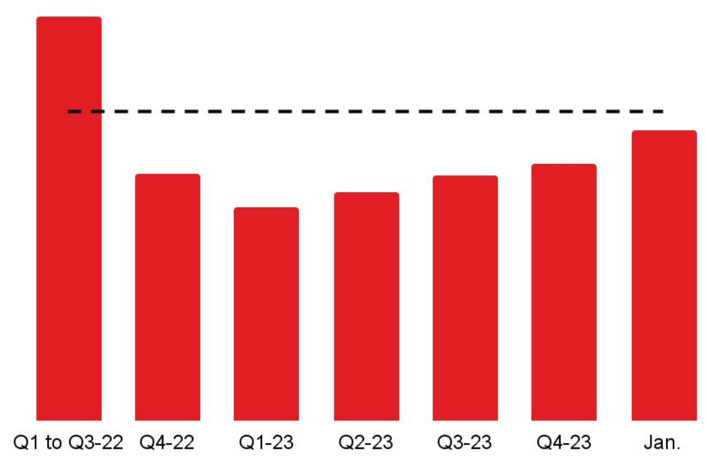
Source: University of Michigan

U.S. Business Sentiment (Mfg. PMI)



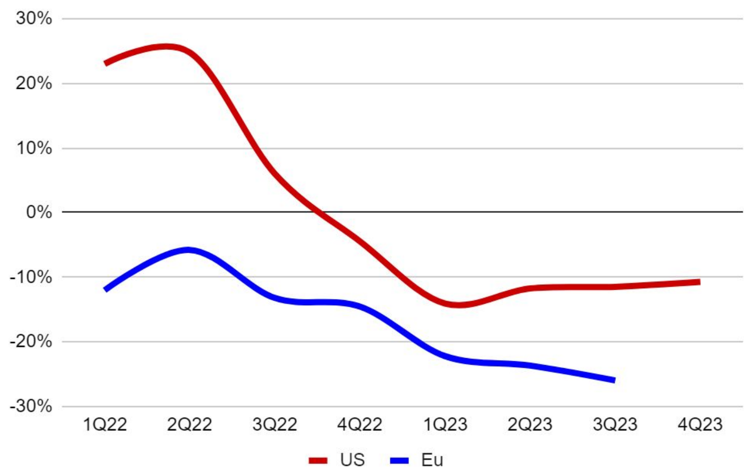
Source: Institute for Supply Management

Avg. AVY Label Volume (NA + Europe)



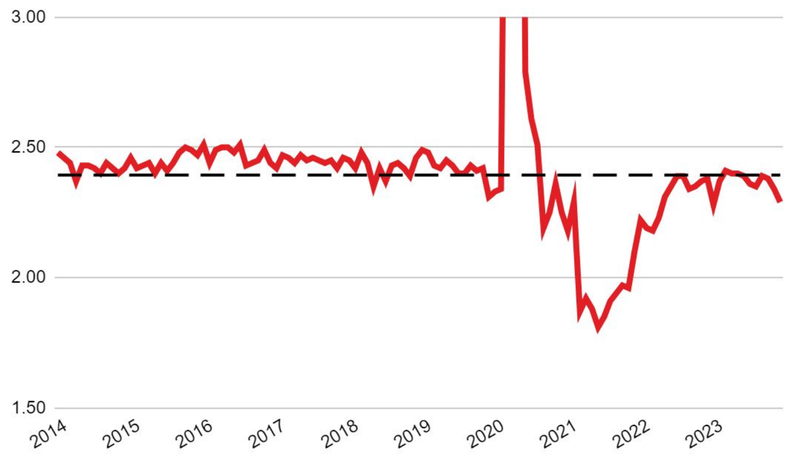
- Economic indicators remain uncertain
- Business and consumer sentiment still relatively low
- Label volume continues to improve; destocking largely complete
- Apparel imports remain below demand levels; inventory environment remains mixed

Apparel Imports % vs. 2019



Sources: Otexa (U.S.) through Dec. ‘23, Eurostat (Eu) through Sep. ‘23

U.S. Apparel Inventory to Sales Ratio



Source: U.S. Census Bureau through Dec. 23

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2024 EPS Guidance (as of Jan 31, 2024)

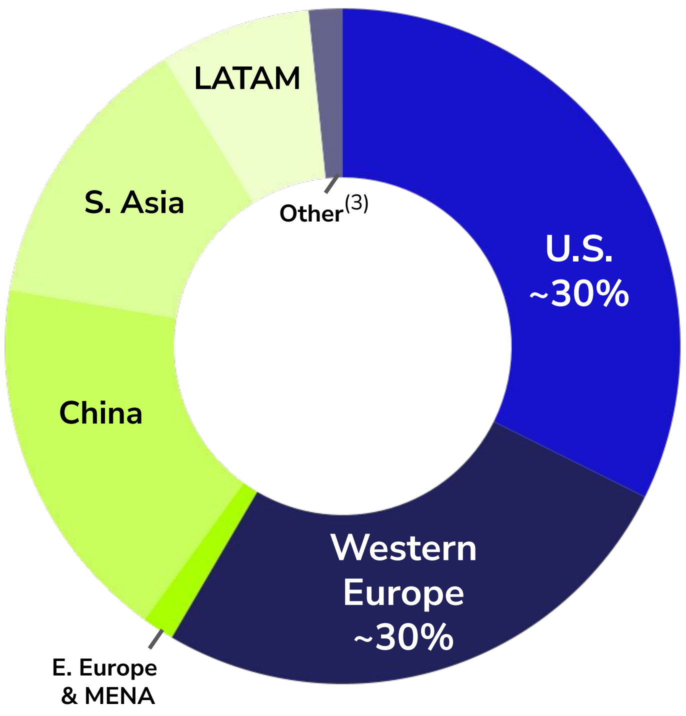
Reported EPS	**\$8.65 - \$9.15**
Add Back: **Est. restructuring costs and other items**	**~\$0.35**
Adjusted EPS	**\$9.00 - \$9.50**

Full-year 2024 contributing factors

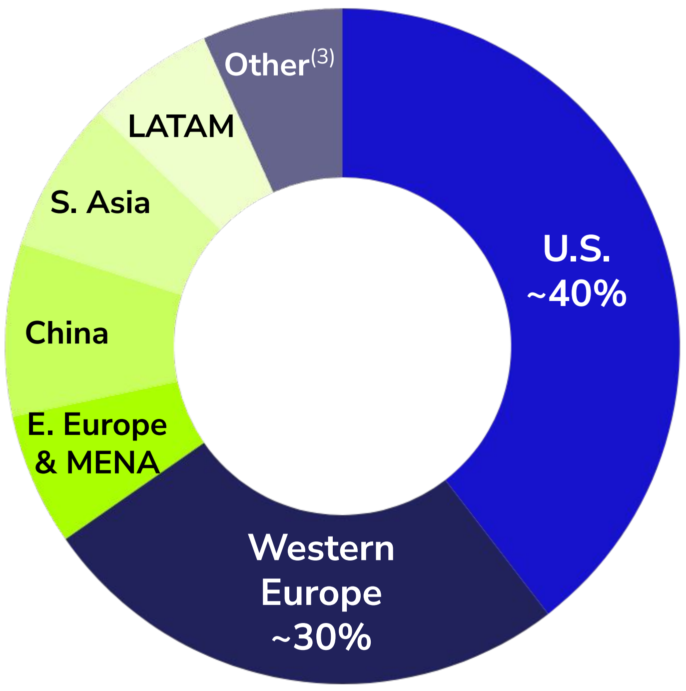
- Reported sales growth of 3% to 5%, including ~0.5% benefit from M&A
  - Organic sales growth of 2.5% to 4.5% on strong volume growth, partially offset by deflation-related price reductions
  - Label destocking largely complete at YE 2023; apparel industry volume to normalize mid-2024
  - Targeting 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

Sales by Geography: Diversified geographic exposure

Sales by Manufacturing Location[1]



Sales by End Market[1][2]



(1) FY23 sales
(2) Estimated sales by end market
(3) Includes Australia, Canada, Japan, New Zealand, and South Africa

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Appendix B

Reconciliation of Non-GAAP Financial Measures from GAAP

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.

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 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.

Sales Change Ex. Currency and Organic Sales Change – Avery Dennison

($ in millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-2019 5-Yr CAGR	2019-2023 4-Yr CAGR	2020-2023 3-Yr CAGR
Net sales	$5,966.9	$6,086.5	$6,613.8	$7,159.0	$ 7,070.1	$ 6,971.5	$ 8,408.3	$ 9,039.3	$ 8,364.3			
Reported net sales change	(5.7%)	2.0%	8.7%	8.2%	(1.2%)	(1.4%)	20.6%	7.5%	(7.5%)			
Foreign currency translation	8.6%	2.6%	(0.5%)	(1.4%)	3.3%	0.9%	(3.4%)	5.6%	0.6%			
Extra week impact	~1.2%					(1.3%)	1.4%					
Sales change ex. currency[1]	4.0%	4.6%	8.2%	6.9%	2.0%	(1.7%)	18.6%	13.1%	(6.9%)	5.1%	5.3%	7.7%
Acquisitions/Divestitures	0.6%	(0.7%)	(3.9%)	(1.4%)		(1.7%)	(3.1%)	(3.6%)	(0.8%)			
Organic sales change[1]	4.6%	3.9%	4.2%	5.5%	2.0%	(3.4%)	15.6%	9.5%	(7.7%)	4.0%	3.1%	5.3%

(1) Totals may not sum due to rounding

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Sales Change Ex. Currency and Organic Sales Change by Segment

($ in millions) Materials Group	2019	2020	2021	2022	2023	2018-2023 5-Yr CAGR
Net sales	$ 5,419.8	$ 5,340.6	$ 6,206.5	$ 6,495.1	$ 5,811.3	
Reported net sales change	(2.3%)	(1.5%)	16.2%	4.6%	(10.5%)	
Reclassification of sales between segments	(0.2%)			0.3%	0.1%	
Foreign currency translation	3.8%	1.0%	(3.6%)	6.0%	0.1%	
Extra week impact		(1.1%)	1.3%			
Sales change ex. currency(1)	1.4%	(1.6%)	13.9%	11.0%	(10.4%)	2.5%
Acquisitions/Divestitures			(1.1%)	0.2%		
Organic sales change(1)	1.4%	(1.6%)	12.8%	11.2%	(10.4%)	2.3%

($ in millions) Solutions Group	2019	2020	2021	2022	2023	2018-2023 5-Yr CAGR
Net sales	$ 1,650.3	$ 1,630.9	$ 2,201.8	$ 2,544.2	$ 2,553.0	
Reported net sales change	2.3%	(1.2%)	35.0%	15.6%	0.3%	
Reclassification of sales between segments	0.6%			(0.7%)	(0.2%)	
Foreign currency translation	2.2%	0.6%	(2.2%)	4.2%	2.1%	
Extra week impact		(1.7%)	2.1%			
Sales change ex. currency(1)	5.1%	(2.3%)	34.9%	19.1%	2.2%	11.0%
Acquisitions/Divestitures		(7.2%)	(9.7%)	(14.1%)	(3.0%)	
Organic sales change(1)	5.1%	(9.5%)	25.2%	5.0%	(0.8%)	4.4%

(1) Totals may not sum due to rounding

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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%**	

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Adjusted Operating Margin and EBITDA – Materials Group

Materials Group					
($ in millions)	2019	2020	2021	2022	2023
Net sales	$ 5,419.8	$ 5,340.6	$ 6,206.5	$ 6,495.1	$ 5,811.3
Operating income before interest expense, other non-operating expense (income), and taxes, as reported	$ 661.5	$ 747.0	$ 883.3	$ 859.3	$ 700.9
Operating margins, as reported	**12.2%**	**14.0%**	**14.2%**	**13.2%**	**12.1%**
<u>Non-GAAP adjustments:</u>					
Restructuring charges:					
Severance and related costs	$ 33.8	$ 31.7	$ 2.8	$ (1.0)	$ 49.9
Asset impairment and lease cancellation charges	$ 4.6	$ 4.6	$ 2.2	$ -	$ 2.5
Other items	$ (0.7)	$ (5.7)	$ (30.7)	$ (12.4)	$ 35.9
Adjusted operating income (non-GAAP)	$ 699.2	$ 777.6	$ 857.6	$ 845.9	$ 789.2
Adjusted operating margins (non-GAAP)	**12.9%**	**14.6%**	**13.8%**	**13.0%**	**13.6%**
Depreciation & Amortization	$ 126.4	$ 133.7	$ 141.9	$ 135.8	$ 127.8
Adjusted EBITDA (non-GAAP)	$ 825.6	$ 911.3	$ 999.5	$ 981.7	$ 917.0
Adjusted EBITDA margins (non-GAAP)	**15.2%**	**17.1%**	**16.1%**	**15.1%**	**15.8%**

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Adjusted Operating Margin and EBITDA – Solutions Group

Solutions Group

($ in millions)	2019	2020	2021	2022	2023
Net sales	$ 1,650.3	$ 1,630.9	$ 2,201.8	$ 2,544.2	$ 2,553.0
Operating income before interest expense, other non-operating expense (income), and taxes, as reported	$ 196.6	$ 144.7	$ 257.2	$ 302.3	$ 165.7
Operating margins, as reported	**11.9%**	**8.9%**	**11.7%**	**11.9%**	**6.5%**
<u>Non-GAAP adjustments:</u>					
Restructuring charges:					
Severance and related costs	$ 9.3	$ 17.1	$ 6.7	$ 7.8	$ 19.9
Asset impairment and lease cancellation charges	$ 0.5	$ 1.6	$ 0.9	$ 0.1	$ 3.3
Other items	$ 0.1	$ 4.0	$ 29.0	$ (0.1)	$ 63.1
Adjusted operating income (non-GAAP)	$ 206.5	$ 167.4	$ 293.8	$ 310.1	$ 252.0
Adjusted operating margins (non-GAAP)	**12.5%**	**10.3%**	**13.3%**	**12.2%**	**9.9%**
Depreciation & Amortization	$ 52.6	$ 71.6	$ 102.2	$ 154.9	$ 170.6
Adjusted EBITDA (non-GAAP)	$ 259.1	$ 239.0	$ 396.0	$ 465.0	$ 422.6
Adjusted EBITDA margins (non-GAAP)	**15.7%**	**14.7%**	**18.0%**	**18.3%**	**16.6%**

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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 transition loss, reversal of acquisition related contingent consideration, and other items.

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Adjusted Free Cash Flow

($ in millions)	2019	2020	2021	2022	2023
Net cash provided by operating activities	$ 746.5	$ 751.3	$1,046.8	$ 961.0	$ 826.0
Purchases of property, plant and equipment	(219.4)	(201.4)	(255.0)	(278.1)	(265.3)
Purchases of software and other deferred charges	(37.8)	(17.2)	(17.1)	(20.4)	(19.8)
Proceeds from company-owned life insurance	-	-	-	-	48.1
Proceeds from sales of property, plant and equipment	7.8	9.2	1.1	2.3	1.0
Proceeds from insurance and sales (purchases) of investments, net	4.9	5.6	3.1	1.9	1.9
Payments for certain acquisition-related transaction costs	-	-	18.8	0.6	-
Contributions for U.S. pension plan termination	10.3	-	-	-	-
Adjusted Free Cash Flow (non-GAAP)	$ 512.3	$ 547.5	$ 797.7	$ 667.3	$ 591.9

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Return on Total Capital (ROTC)

($ in millions)	2015	2016	2017	2018	2019 [1]	2020	2021 [2]	2022	2023 [2][3]	2015-2019 5-Yr Avg.	2020-2023 4-Yr Avg.
As reported net income	$ 274.4	$ 320.7	$ 281.8	$ 467.4	$ 303.6	$ 555.9	$ 740.1	$ 757.1	$ 503.0		
Interest expense, net of tax benefit	$ 40.6	$ 40.3	$ 30.1	$ 49.5	$ 57.2	$ 53.1	$ 52.7	$ 63.7	$ 86.2		
Intangible amortization, net of tax benefit	$ 13.8	$ 13.4	$ 8.9	$ 12.9	$ 10.2	$ 15.1	$ 33.5	$ 62.0	$ 62.5		
Effective Tax Rate	32.9%	32.8%	52.2%	15.4%	24.6%	24.1%	25.0%	24.2%	27.6%		
Net income, excluding interest expense and intangible amortization, net of tax benefit	$ 328.8	$ 374.4	$ 320.8	$ 529.8	$ 371.0	$ 624.1	$ 826.3	$ 882.8	$ 651.7		
Total debt	$ 1,058.9	$ 1,292.5	$ 1,581.7	$ 1,966.2	$ 1,939.5	$ 2,116.8	$ 3,104.7	$ 3,102.1	$ 3,244.3		
Shareholders' equity	$ 965.7	$ 925.5	$ 1,046.2	$ 955.1	$ 1,204.0	$ 1,484.9	$ 1,924.4	$ 2,032.2	$ 2,127.9		
Total debt and shareholders' equity	$ 2,024.6	$ 2,218.0	$ 2,627.9	$ 2,921.3	$ 3,143.5	$ 3,601.7	$ 5,029.1	$ 5,134.3	$ 5,372.2		
ROTC (non-GAAP)	**15.6%**	**17.6%**	**13.2%**	**19.1%**	**12.2%**	**18.5%**	**19.1%**	**17.4%**	**12.4%**	**15.6%**	**16.9%**

(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

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Net Debt to Adjusted EBITDA

	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.

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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

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