

# BMO 2020 Growth & ESG Conference

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## Forward-Looking Statements

Certain statements contained in this document and made during this presentation 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: (1) the impacts to our business from global economic conditions, political uncertainty, and changes in governmental regulations, including as a result of the coronavirus/COVID-19 pandemic; (2) competitors' actions, including pricing, expansion in key markets, and product offerings; (3) 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; and (4) the execution and integration of acquisitions.

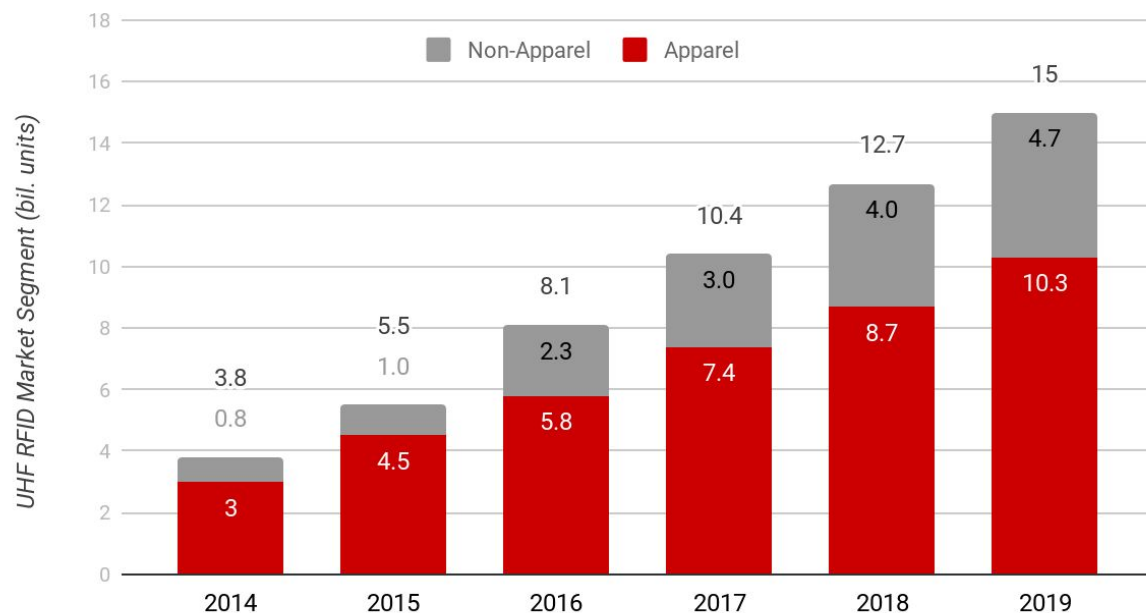
Actual results and trends may differ materially from historical or anticipated results depending on a variety of factors, including but are not limited to, risks and uncertainties relating to the following: the coronavirus/COVID-19 pandemic; fluctuations in demand affecting sales to customers; worldwide and local economic and market conditions; changes in political conditions; fluctuations in foreign currency exchange rates and other risks associated with foreign operations, including in emerging markets; changes in our markets due to competitive conditions, technological developments, laws and regulations, and customer preferences; fluctuations in the cost and availability of raw materials and energy; changes in governmental laws and regulations; the impact of competitive products and pricing; the financial condition and inventory strategies of customers; our ability to generate sustained productivity improvement; our ability to achieve and sustain targeted cost reductions; loss of significant contracts or customers; collection of receivables from customers; selling prices; business mix shift; execution and integration of acquisitions; 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; amounts of future dividends and share repurchases; customer and supplier concentrations or consolidations; fluctuations in interest and 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; successful implementation of new manufacturing technologies and installation of manufacturing equipment; disruptions in information technology systems, including cyber-attacks or other intrusions to network security; successful installation of new or upgraded information technology systems; data security breaches; volatility of financial markets; impairment of capitalized assets, including goodwill and other intangibles; credit risks; our ability to obtain adequate financing arrangements and maintain access to capital; the realization of deferred tax assets; fluctuations in interest rates; compliance with our debt covenants; fluctuations in pension, insurance, and employee benefit costs; goodwill impairment; the impact of legal and regulatory proceedings, including with respect to environmental, health and safety, anti-corruption and trade compliance; protection and infringement of intellectual property; the impact of epidemiological events on the economy and our customers and suppliers; acts of war, terrorism, and natural disasters; and other factors.

For a more detailed discussion of the more significant of these factors, see "Risk Factors" and "Management's Discussion and Analysis of Results of Operations and Financial Condition" in our 2019 Form 10-K, filed with the Securities and Exchange Commission on February 26, 2020, and subsequent quarterly reports on Form 10-Q.

**The forward-looking statements included in this document and made during this presentation are made only as of the date of this document and presentation, and we undertake no obligation to update these statements to reflect subsequent events or circumstances, other than as may be required by law.**

# RFID adoption driving significant growth

## Industry Growth



Source: IDTechEx

- \$500+ mil. revenue platform incl. Smartrac, targeted to grow 15-20%, adding ~1 point to annual company growth
- Significant investment to sustain leading position in rapidly growing market
  - Ongoing capex and operating expense investment to support organic growth
  - Acquisition of Smartrac inlay division
  - Equity investments in Wiliot and PragmatlC
- Apparel is leading market for UHF RFID today
  - Key enabler for omni-channel retailing
  - AVY has >50% share in this segment
- Promising early stage developments outside apparel
  - Multiple end markets, including food, beauty, logistics, aviation
  - Channel access through LGM converter
- While CV19 created headwind in Q2 (retail apparel exposure), now seeing pandemic driving the need for better visibility, efficiency and traceability, creating long-term tailwinds

# Evolution of apparel RFID use cases

1

## Inventory Data Accuracy

Poor data quality on what is available on shelf drives out-of-stock, leading to lost sales

On Shelf Availability



RFID stocktake can be done daily/weekly.  
This drives an on-shelf-availability >98% and drives the ROI

2

## Omnichannel

Consumer demand for ecommerce and online fulfilment is increasing during cv19 – channels need to be connected

Omnichannel



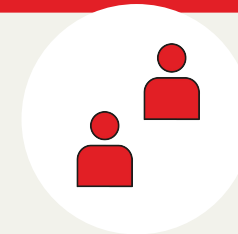
RFID offers efficient new services like buy online-pickup in store, click and collect, curbside pickup, ship from store

3

## Consumer Experience

Consumers are expecting the same ease and “safety” of in-store experience that they experience online

Customer Experience



New RFID-based services offer increased customer loyalty and enable touchless retail concepts triggered by cv19

# Non-apparel growth areas



## Food

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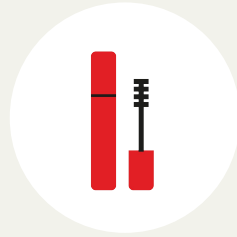
### Need

Provenance and transparency  
Inventory accuracy  
Convenience  
Labor efficiency

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### First adopters

Quick service restaurants



## Beauty

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### Need

Inventory accuracy  
Consumer Experience

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### First adopters

Global brands  
Specialty retailers



## Logistics

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### Need

Pallet tracking  
Case tracking  
Parcel sorting  
Last mile optimization

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### First adopters

Large carriers  
Inhouse fulfillment centers

# Our competitive advantage

“Industry-leading solution development team that supports customers from business case development to complete solution implementation”



The most experienced team in the industry



Unbeatable vertically integrated innovation capabilities



Broadest product portfolio + vertical capability



Unparalleled global customer + channel reach



1750+ patents and applications worldwide



ARC certification for quality



Largest scale production: 30B+ inlays produced to date



7 global manufacturing sites and operational excellence

# Q&A