Investor Presentation

Avery Dennison Corporation

February 2020

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: (1) the impacts to underlying demand for our products and/or foreign currency fluctuations from global economic conditions, political uncertainty, and changes in governmental regulations; (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 selling 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: fluctuations in demand affecting sales to customers; worldwide and local economic conditions; changes in political conditions; changes in governmental laws and regulations; fluctuations in foreign currency exchange rates and other risks associated with foreign operations, including in emerging markets; the financial condition and inventory strategies of customers; changes in our markets due to competitive conditions, technological developments, laws and regulations, and customer preferences; fluctuations in cost and availability of raw materials; our ability to generate sustained productivity improvement; our ability to achieve and sustain targeted cost reductions; the impact of competitive products and pricing; loss of significant contracts or customers; collection of receivables from customers; selling prices; business mix shift; execution and integration of acquisitions; timely development and market acceptance of new products, including sustainable or sustainably-sourced products; investment in development activities and new production facilities; amounts of future dividends and share repurchases; customer and supplier concentrations; successful implementation of new manufacturing technologies and installation of manufacturing equipment; disruptions in information technology systems, including cyber-attacks or other intrusions to network security; successful installation of new or upgraded information technology systems; data security breaches; volatility of financial markets; impairment of capitalized assets, including goodwill and other intangibles; credit risks; our ability to obtain adequate financing arrangements and maintain access to capital; fluctuations in interest and tax rates; changes in tax laws and regulations, including the U.S. Tax Cuts and Jobs Act (“TCJA”), and regulations issued hereto, and uncertainties associated with interpretations of such laws and regulations; outcome of tax audits; fluctuations in pension, insurance, and employee benefit costs; the impact of legal and regulatory proceedings, including with respect to environmental, health and safety; protection and infringement of intellectual property; the impact of epidemiological events on the economy and our customers and suppliers; acts of war, terrorism, and natural disasters; and other factors.

For a more detailed discussion of these and other factors, see “Risk Factors” and “Management’s Discussion and Analysis of Results of Operations and Financial Condition” in our 2018 Form 10-K, filed with the Securities and Exchange Commission on February 27, 2019 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 presentation of our financial results that are prepared in accordance with GAAP. Based upon feedback from investors and financial analysts, we believe that the supplemental non-GAAP financial measures we provide are useful to their assessment of our performance and operating trends, as well as liquidity. In accordance with Regulation G, reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures, including limitations associated with these non-GAAP financial measures, are provided in Appendix B of this document.

Overview: creating superior long-term value

- **#1 player in primary businesses, leveraging strong competitive advantages in large, growing, diverse end markets**
- **Catalysts for consistent GDP+ growth with top-quartile returns**
- **Successfully executing key strategies:**
  - Driving outsized growth in high value categories
  - Growing profitably in our base business
  - Attaining ambitious 2025 sustainability goals
- **Relentless focus on innovation, productivity, and highly disciplined capital allocation… driving consistent progress toward achievement of long-term goals**

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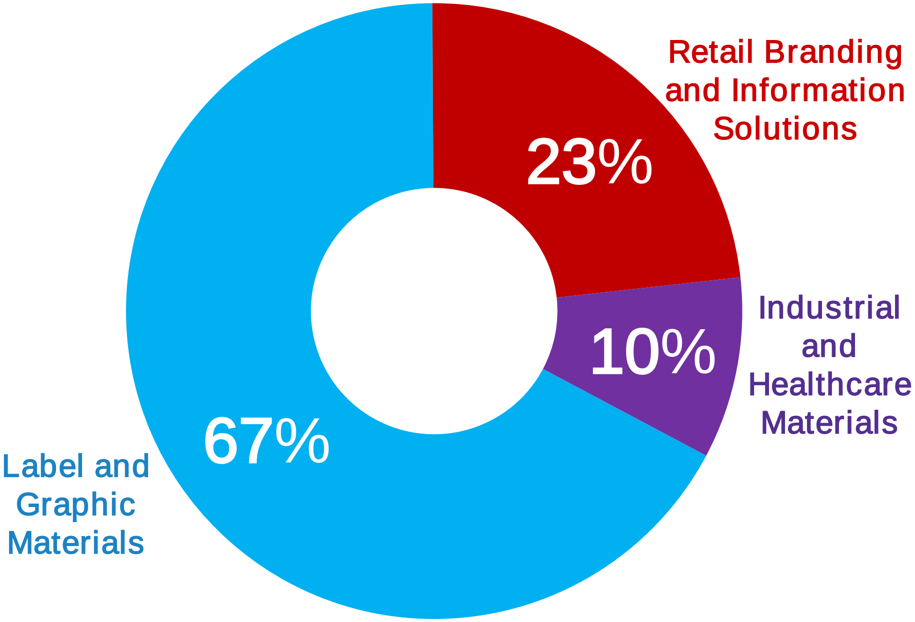
Avery Dennison at a glance

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

Sales by Segment[1]

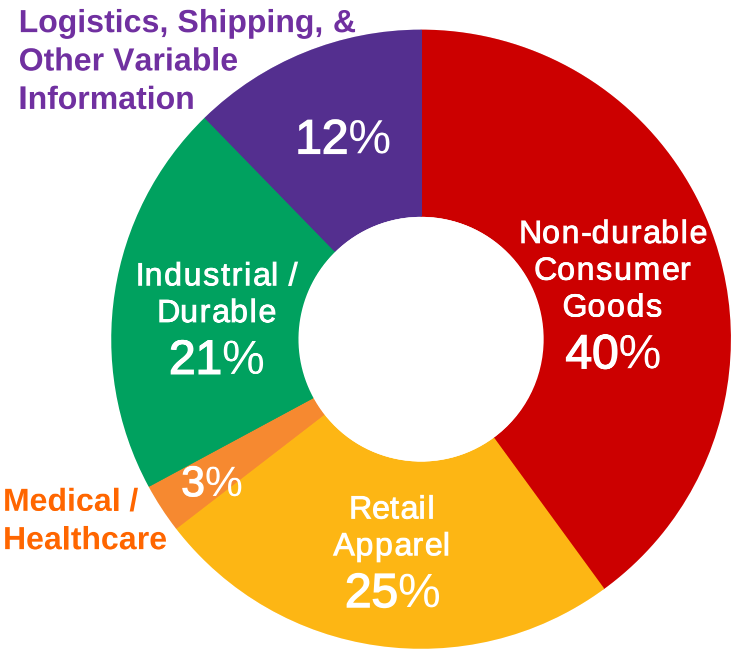


2019 Net Sales = $7.1 billion

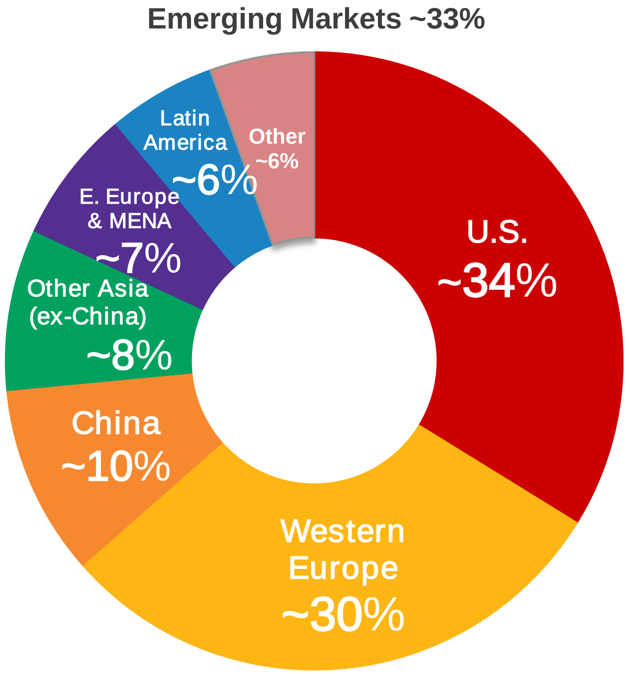
[1] Pie chart based on FY 2019 net sales

Broad exposure to diverse end markets

2019 Sales by Product Category



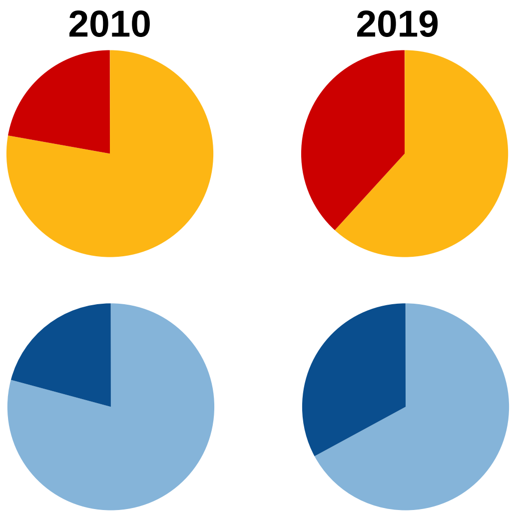
2019 Sales by Geography[1]



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

Catalysts for consistent GDP+ top line growth

Portfolio Shift
(% of total sales[1])



High Value Categories ~$2.7B

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

Emerging Markets ~$2.3B[2]

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

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

(1) Constant currency
(2) Approximately one-third of emerging market sales are in high value categories, which are included in the ~$2.7B above.

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

	2017 – 2021 TARGETS	2017 – 2019 RESULTS
Sales Growth	4%+ Organic[1] 5%+ Ex. Currency[1,2]	3.9% Organic[3] 5.7% Ex. Currency[3]
Operating Margin	11%+ in 2021	10.9% in 2019 Adj[4]: 11.7% in 2019
Adjusted EPS Growth	10%+[1]	18.0%[3]
Return on Total Capital (ROTC)	17%+ in 2021	11.9% in 2019 Adj[5]: 19.6% in 2019
Net Debt to Adjusted EBITDA	2.3x to 2.6x[6]	1.7x at Y/E 2019

- First committed externally to long-term targets in 2012
- Targets designed to deliver above-average cumulative EVA growth vs. capital market peers and superior TSR
- Substantially met or exceeded all long-term goals for last two cycles *(2012-2015 and 2014-2018)*
- Largely on track to achieve 2017-2021 targets

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

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Long-term targets reflect continued organic growth and margin expansion across all segments

Segment	Metric	2017 – 2021 TARGETS	2017 – 2019 RESULTS	
LGM	Organic Sales Growth	4-5%(1)	4%(2)	• Following six consecutive years of 4%+ organic growth, slowed in 2019 to ~1%, reflecting challenging market conditions • Strong op margins during highly inflationary period ('17-'18); further expansion in 2019
LGM	Adjusted Operating Margin	12.5-13.5%	13.3% in 2019	
IHM	Organic Sales Growth	4-5%+(1)	1%(2)	• Organic growth constrained by soft auto / industrial end markets, especially in China • Margin turnaround (post-acquisitions) started 2H-18, substantial progress in 2019
IHM	Adjusted Operating Margin	12.5-13.5%+	10.3% in 2019	
RBIS	Organic Sales Growth	3-4%(1)	6%(2)	• RFID becomes $500+ mil. platform post acquisition of Smartrac inlay division; targeted to grow 15-20% • Achieved margin target ahead of schedule
RBIS	Adjusted Operating Margin	10-12%	12.5% in 2019	

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

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Disciplined approach to capital allocation

5-Year Capital Deployment ($ in millions)	**2017 — 2021 Cumulative Target**		
Capital Sources:			
Leverage Capacity (2016)	~$450		
Add'l Leverage Capacity (EBITDA Growth)	up to $800		
Cash Flow from Ops before Restructuring	$3,200 - $3,600		
Available Capital	$4,450 - $4,850		
		TARGET % of Available Capital	**2017 - 2019 ACTUAL % of Total Spend**
Capital Uses:			
Capex (net of asset sales)	~$1,250	25% - 30%	29%
Restructuring	~$150	< 5%	5%
Dividends	~$950	~20%	21%
Share Repurchases			*31%*
Acquisitions / Equity Investments			*14%*
Total Capital Available for Buyback/M&A	$2,100 - $2,500	~50%	45%

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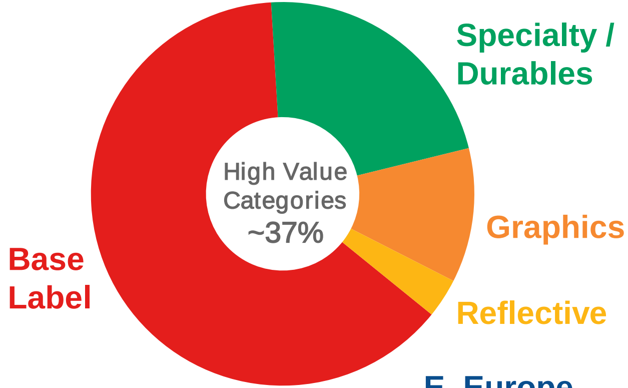
LGM at a glance

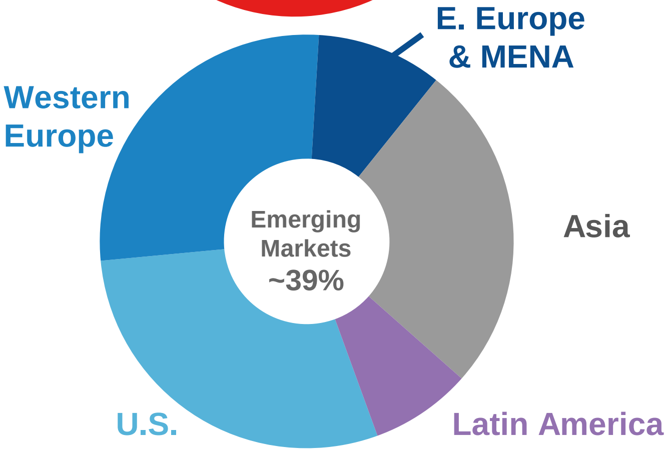
FINANCIAL SNAPSHOT

	2019	2021 Target
Sales	$ 4.7 bil.	n/a
Organic Sales Change	1.2%	4-5% CAGR
Adjusted Operating Margin	13.3%	12.5-13.5%

Sales by PRODUCT



Sales by GEOGRAPHY



LGM delivers consistent growth and high returns

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

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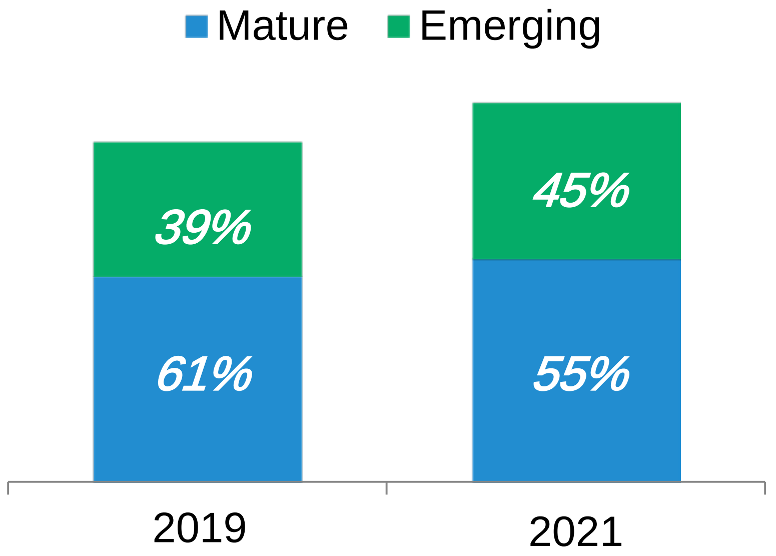
Leadership in emerging markets



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

Opportunity for share gain in Graphics and Reflective

Product portfolio consists of pressure-sensitive films for:

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

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

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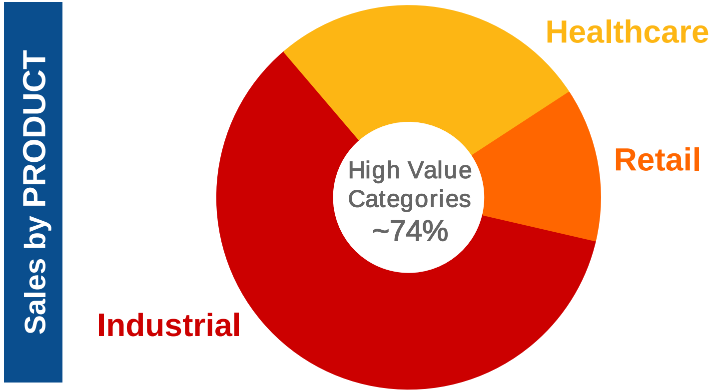
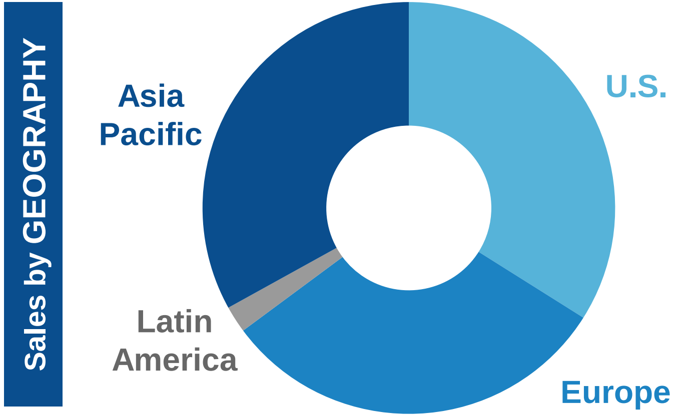
IHM at a glance

FINANCIAL SNAPSHOT

	2019	2021 Target
Sales	$ 674 mil.	n/a
Organic Sales Change	0.4%	4-5%+ CAGR
Adjusted Operating Margin	10.3%	12.5-13.5%+





IHM positioned for superior long-term value creation

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

Key market segments: large profit pools growing GDP+






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

(1) Estimated industry size includes tape and adhesive applications

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

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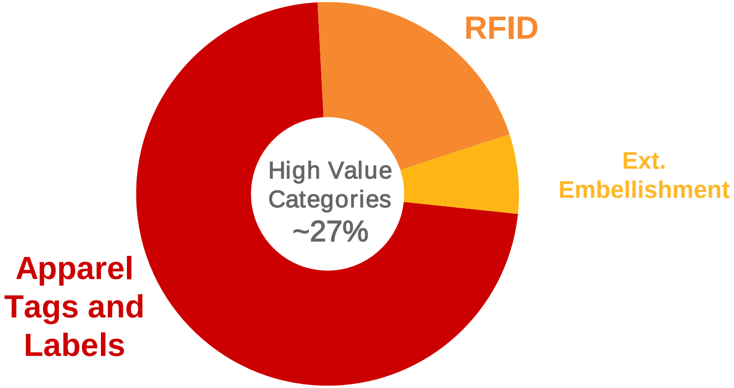
RBIS at a glance

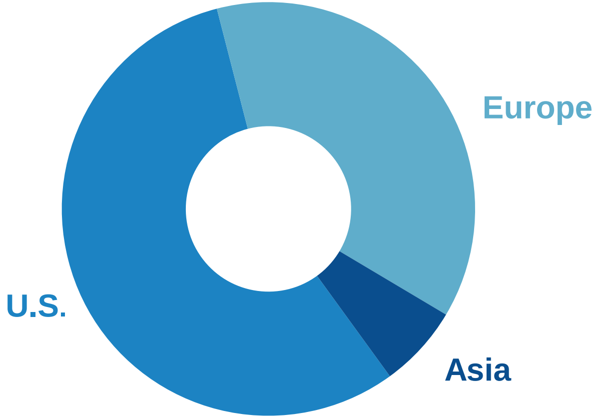
FINANCIAL SNAPSHOT

	2019	2021 Target
Sales	$ 1.7 bil.	n/a
Organic Sales Change	5.1%	3-4% CAGR
Adjusted Operating Margin	12.5%	10-12%

Sales by PRODUCT



Sales by END MARKET



RBIS delivering on promise

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

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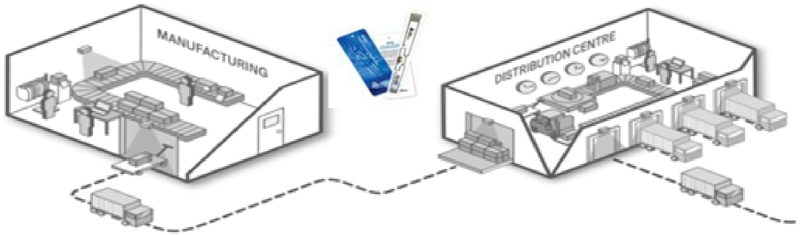
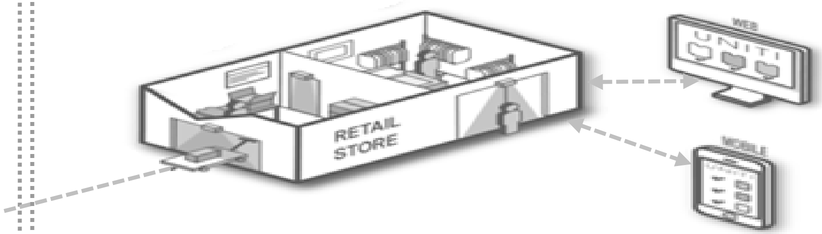
RFID – Industry benefits and RBIS competitive advantages

Apparel Supply Chain

In-Store + Web/Mobile

Process





RFID Benefits

Apparel Supply Chain:

- Reduced errors, cost, losses
- Seamless integration into existing trim
- 80% improvement on ship/pack accuracy

In-Store + Web/Mobile:

- 99+% inventory accuracy (vs. ~65% without RFID)
- 60-80% reduction in out-of-stock items
- 2-12% overall sales lift, 10% shrink reduction
- Enables omni-channel retail and Internet of Things

Competitive Advantages

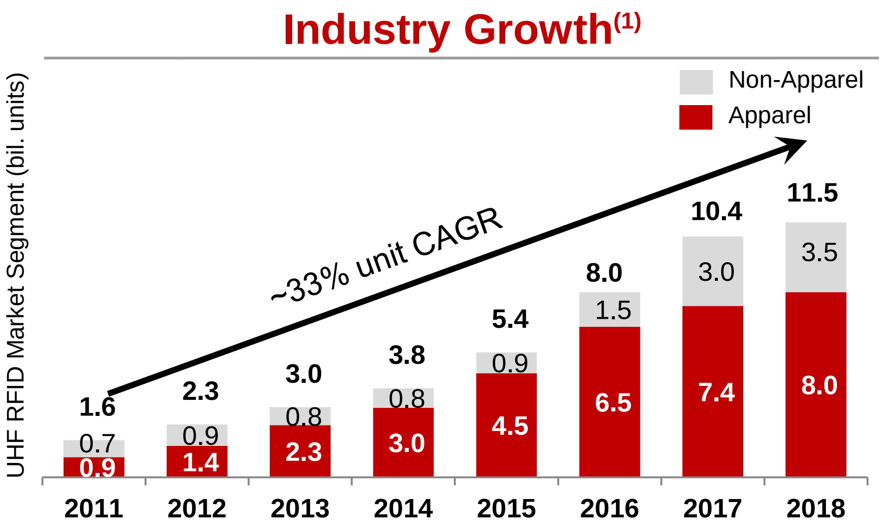
Apparel Supply Chain:

- 800+ RFID patents
- Global service bureaus, world-class quality
- In-plant capabilities for speed advantage

In-Store + Web/Mobile:

- Proven five-step adoption process
- Most experienced market development team
- Global PMO, piloting, advance ROI model

RFID adoption driving significant growth



(1) Source: IDTechEx (data as of January 2019)

- Post acquisition of Smartrac inlay division, RFID becomes $500+ mil. platform targeted to grow 15-20%, adding ~1 point to annual Company growth
- Apparel is leading market for UHF RFID today
  - Key enabler for omni-channel retailing
  - AVY has >50% market share
- Promising early stage developments outside apparel
  - Multiple end markets, including food, beauty, aviation, logistics
  - Channel access through LGM converters

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

Appendix A

Full Year 2019 Results
2020 EPS Guidance

Delivered another year of strong adjusted earnings growth in 2019

Reported sales down 1.2%; organic growth (non-GAAP) of 2.0%, with growth in high value categories more than offsetting a modest decline in the base

- Volume trend improved through the course of the year, due to share recapture in LGM

Expanded margins through productivity gains across all three segments

- Reported operating margin of 10.9%, up 90 bps
- Adjusted operating margin (non-GAAP) of 11.7%, up 70 bps

Reported EPS of $3.57, reflecting pension settlement charges

Adjusted EPS (non-GAAP) of $6.60, up 9%, or ~15% on a constant-currency basis

Disciplined execution of capital allocation strategy

- Adj. ROTC (non-GAAP) of 19.6%; free cash flow (non-GAAP) of $512 mil., up $83 mil.
- Continued return of cash to shareholders; FY dividends and share repurchase of $427 mil.
- Strong balance sheet, with year-end leverage below long-term target

Full Year 2019 Segment Overview and 2020 Outlook

LGM expanded margin in challenging environment, with solid 2H volume improvement

- Above-average organic growth for high value categories; base business flat, reflecting share loss in late 2018 / early 2019, along with softer-than-usual end market demand

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

- Org. growth for high value categories (RFID /ext. embellishments) over 20%; base business relatively flat

IHM grew modestly, despite soft industrial end markets; adjusted margin expanded significantly

Targeting continued advancement toward long-term goals in 2020

- Organic top-line growth of 2.0% to 3.0%, reflecting improved volume trend and deflationary environment
- Expect acquisition of Smartrac to close in late Q1, further bolstering our strong RFID platform
- Reported EPS of \$6.75 to \$7.00; adjusted EPS of \$6.90 to \$7.15
    - Midpoint of adj. EPS guidance up ~6%, with volume and productivity gains partially offset by investments for future growth

2020 EPS Guidance

Reported EPS	**$6.75 – $7.00**
Add Back:	
Est. restructuring costs and other items	**~$0.15**
Adjusted EPS (non-GAAP)	**$6.90 – $7.15**

Contributing Factors to 2020 Results

- Reported sales growth of 4.0% to 5.5%, including 0.3% headwind from currency translation at recent rates, ~1.5% benefit from Smartrac acquisition (assuming late Q1 close), and ~1% benefit from extra week of sales
  - Organic sales change of 2.0% to 3.0%
  - EPS impact of 53rd week and Smartrac acquisition roughly offset each other
- Currency translation headwind to operating income of ~$3 mil., assuming recent rates (~$5 mil. in 1H)
- Incremental savings of $30 mil. to $40 mil. from restructuring actions, net of transition costs
- Adjusted tax rate in the mid-twenty percent range
- Fixed and IT capital spend of $220 mil. to $230 mil.; cash impact of restructuring charges ~$35 mil.
- Average shares outstanding (assuming dilution) of ~84 mil.

Appendix B

Reconciliation of GAAP to Non-GAAP Financial Measures

Use of Non-GAAP Financial Measures

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

We use the following non-GAAP financial measures in this presentation:
• *Sales change ex. currency* refers to the increase or decrease in net sales excluding the estimated impact of foreign currency translation, and, where applicable, currency adjustment for transitional reporting of highly inflationary economies (Argentina). Segment results are also adjusted for the reclassification of sales between segments. The estimated impact of foreign currency translation is calculated on a constant currency basis, with prior period results translated at current period average exchange rates to exclude the effect of currency fluctuations.
• *Organic sales change* refers to sales change ex. currency, excluding the estimated impact of product line exits, acquisitions and divestitures, and, where applicable, the extra week in our fiscal year.

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

• *Adjusted operating income* refers to income before taxes, interest expense, other non-operating expense, and other expense, net.
• *Adjusted operating margin* refers to adjusted operating income as a percentage of 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 impacts related to the enactment of the U.S. Tax Cuts and Jobs Act ("TCJA") and our U.S. pension plan termination, effects of certain discrete tax planning actions, 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 weighted average number of common shares outstanding, assuming dilution.
• *Adjusted EPS change, constant currency basis* refers to the change in adjusted EPS, as a percent of prior year adjusted EPS, excluding the estimated impact of foreign currency translation.

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

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

Organic Sales Change – Avery Dennison

($ in millions)	2015	2016	2017	2018	2019	2017-2019 3-Yr CAGR
Net sales	$5,966.9	$6,086.5	$6,613.8	$7,159.0	$7,070.1	
Reported sales change	(5.7%)	2.0%	8.7%	8.2%	(1.2%)	
Foreign currency translation	8.6%	2.6%	(0.5%)	(1.4%)	3.3%	
Sales change ex. currency[(1)]	2.9%	4.6%	8.2%	6.9%	2.0%	5.7%
Extra week impact	~1.2%					
Acquisitions/Divestitures	0.6%	(0.7%)	(3.9%)	(1.4%)		
Organic sales change[(1)]	4.6%	3.9%	4.2%	5.5%	2.0%	3.9%

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

Organic Sales Change by Segment

($ in millions)

Label and Graphic Materials	2015	2016	2017	2018	2019
Net sales	$4,032.1	$4,187.3	$4,511.7	$4,851.1	$4,745.9
Reported sales change	(6.2%)	3.8%	7.7%	7.5%	(2.2%)
Reclassification of sales between segments					(0.2%)
Foreign currency translation	10.2%	3.0%	(0.8%)	(1.9%)	3.6%
Sales change ex. currency[1]	4.0%	6.8%	6.9%	5.7%	1.2%
Extra week impact	~1.2%				
Acquisitions		(1.4%)	(2.7%)	(0.2%)	
Organic sales change[1]	5.2%	5.5%	4.2%	5.5%	1.2%

(1) Totals may not sum due to rounding and other factors.

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Organic Sales Change by Segment - Continued

Retail Branding & Information Solutions	2015	2016	2017	2018	2019
Net sales	$1,443.4	$1,445.4	$1,511.2	$1,613.2	$1,650.3
Reported sales change	(4.8%)	0.1%	4.6%	6.7%	2.3%
Reclassification of sales between segments					0.6%
Foreign currency translation	3.9%	1.8%	0.4%	0.2%	2.2%
Sales change ex. currency[1]	(0.9%)	1.9%	5.0%	6.9%	5.1%
Extra week impact	~1.2%				
Product line divestiture	2.4%	1.6%			
Organic sales change[1]	2.7%	3.5%	5.0%	6.9%	5.1%

Industrial and Healthcare Materials	2015	2016	2017	2018	2019
Net sales	$ 491.4	$ 453.8	$ 590.9	$ 694.7	$ 673.9
Reported sales change	(4.7%)	(7.7%)	30.2%	17.6%	(3.0%)
Foreign currency translation	8.7%	1.7%	(0.4%)	(1.5%)	3.4%
Sales change ex. currency[1]	4.0%	(6.0%)	29.9%	16.1%	0.4%
Extra week impact	~1.2%				
Acquisitions		(1.6%)	(27.9%)	(14.7%)	
Organic sales change[1]	5.2%	(7.5%)	2.0%	1.4%	0.4%

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

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Adjusted Net Income

($ in millions)	2015	2016	2017	2018	2019
As reported net income from continuing operations	$274.4	$320.7	$281.8	$467.4	$ 303.6
Adjustments[1]	$ (0.6)	n/a	n/a	n/a	n/a
Previously reported net income from continuing operations	273.8	320.7	281.8	467.4	303.6
Non-GAAP adjustments:					
Restructuring charges and other items[2]	$ 68.3	$ 65.2	$ 36.5	$ 69.9	$ 53.2
Pension plan settlements and related charges				$ 93.7	$ 444.1
Tax benefit from pension plan contributions[3][4]				$ (31.0)	
Tax benefit from pension plan settlements and related charges				$ (19.3)	$ (179.0)
Tax benefit from discrete foreign tax structuring and planning transactions				$ (31.0)	$ (47.9)
Tax effect on restructuring charges and other items and impact of adjusted tax rate	$ (22.6)	$ (21.4)	$ (10.2)	$ (9.2)	$ (13.2)
TCJA provisional amounts and subsequent adjustments[4]			$172.0	$ (3.7)	
Impact of previously planned repatriation of foreign earnings for Q4 2017			$ (29.4)		
Adjusted net income from continuing operations (non-GAAP)	$319.5	$364.5	$450.7	$536.8	$ 560.8

The adjusted tax rate was 24.6%, 25%, and 28%, for 2019, 2018, and 2017, respectively.

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

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

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

(4) In the fourth quarter of 2018, we finalized our provisional amounts as defined under SEC Staff Accounting Bulletin No. 118 related to the TCJA.

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Adjusted EPS

	2015	2016	2017	2018	2019	2017-2019 3-Yr CAGR
As reported net income per common share from continuing operations, assuming dilution	$ 2.95	$ 3.54	$ 3.13	$ 5.28	$ 3.57	
Adjustments[(1)]	$ -	n/a	n/a	n/a	n/a	
Previously reported net income per common share from continuing operations, assuming dilution	$ 2.95	$ 3.54	$ 3.13	$ 5.28	$ 3.57	
Non-GAAP adjustments per common share, net of tax:						
Restructuring charges and other items[(2)]	$ 0.49	$ 0.48	$ 0.29	$ 0.78	$ 0.63	
Pension plan settlements and related charges				$ 0.84	$ 3.12	
Tax benefit from discrete foreign tax structuring and planning transactions				$ (0.35)	$ (0.56)	
TCJA provisional amounts and subsequent adjustments[(3)]			$ 1.91	$ (0.39)		
Tax effect on restructuring charges and other items and impact of adjusted tax rate				$ (0.10)	$ (0.16)	
Impact of previously planned repatriation of foreign earnings for Q4 2017			$ (0.33)			
Adjusted net income per common share from continuing operations, assuming dilution (non-GAAP)	$ 3.44	$ 4.02	$ 5.00	$ 6.06	$ 6.60	**18.0%**

The adjusted tax rate was 24.6%, 25%, and 28%, for 2019, 2018, and 2017, respectively.

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

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

(3) In the fourth quarter of 2018, we finalized our provisional amounts as defined under SEC Staff Accounting Bulletin No. 118 related to the TCJA.

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Adjusted EPS change, constant currency basis

(In millions, except % and per share amounts)

FY		Adjusted net income Non-GAAP	Weighted average number of common shares outstanding, assuming dilution	Adjusted net income per common share, assuming dilution Non-GAAP
FY 2019	At reported currency rates	$560.8	85.0	$6.60
FY 2018	At reported currency rates	$536.8	88.6	$6.06
	% Change			9%
FY 2019	At reported currency rates	$560.8	85.0	$6.60
FY 2018	At constant currency rates	~ $510.2	88.6	~ $5.76
	% Change ex. currency			~ 15%

Adjusted Operating Margin – Avery Dennison

($ in millions)	2015	2016	2017	2018	2019
Net sales	$5,966.9	$6,086.5	$6,613.8	$7,159.0	$7,070.1
Operating income from continuing operations before interest expense, other non-operating expense and taxes, as reported	$ 493.5	$ 590.2	$ 670.5	$ 718.1	$ 770.5
Adjustments[1]	$ (1.0)	n/a	n/a	n/a	n/a
Operating income from continuing operations before interest expense, other non-operating expense and taxes, previously reported	$ 492.5	$ 590.2	$ 670.5	$ 718.1	$ 770.5
Operating margins, as reported	**8.3%**	**9.7%**	**10.1%**	**10.0%**	**10.9%**
Non-GAAP adjustments:					
Restructuring charges:					
Severance and related costs	$ 52.5	$ 14.7	$ 31.2	$ 63.0	$ 45.3
Asset impairment and lease cancellation charges	$ 7.0	$ 5.2	$ 2.2	$ 10.7	$ 5.1
Other items	$ 5.0	$ 3.9	$ 3.1	$ (3.8)	$ 2.8
Adjusted operating income from continuing operations before interest expense, other non-operating expense and taxes (non-GAAP)	$ 557.0	$ 614.0	$ 707.0	$ 788.0	$ 823.7
Adjusted operating margins (non-GAAP)	**9.3%**	**10.1%**	**10.7%**	**11.0%**	**11.7%**

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

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Adjusted Operating Margin – LGM

($ in millions)	2015	2016	2017	2018	2019
Net sales	$4,032.1	$4,187.3	$4,511.7	$4,851.1	$4,745.9
Operating income from continuing operations before interest expense, other non-operating expense and taxes, as reported	$ 464.6	$ 522.0	$ 577.4	$ 568.2	$ 601.5
Operating margins, as reported	**11.5%**	**12.5%**	**12.8%**	**11.7%**	**12.7%**
Non-GAAP adjustments:					
Restructuring charges:					
Severance and related costs	$ 12.8	$ 5.8	$ 14.5	$ 50.3	$ 27.7
Asset impairment and lease cancellation charges	$ 0.8	$ 2.7	$ 0.3	$ 7.5	$ 1.3
Other items	$ (1.7)	$ 4.5	$ (0.3)	$ 4.0	$ (0.7)
Adjusted operating income from continuing operations before interest expense, other non-operating expense and taxes (non-GAAP)	$ 476.5	$ 535.0	$ 591.9	$ 630.0	$ 629.8
Adjusted operating margins (non-GAAP)	**11.8%**	**12.8%**	**13.1%**	**13.0%**	**13.3%**

Adjusted Operating Margin – RBIS

($ in millions)	2015	2016	2017	2018	2019
Net sales	$1,443.4	$1,445.4	$1,511.2	$1,613.2	$1,650.3
Operating income from continuing operations before interest expense, other non-operating expense and taxes, as reported	$ 59.2	$ 105.0	$ 126.7	$ 170.4	$ 196.6
Operating margins, as reported	**4.1%**	**7.3%**	**8.4%**	**10.6%**	**11.9%**
Non-GAAP adjustments:					
Restructuring charges:					
Severance and related costs	$ 34.1	$ 8.4	$ 16.5	$ 8.8	$ 9.3
Asset impairment and lease cancellation charges	$ 1.6	$ 2.1	$ 1.9	$ 3.1	$ 0.5
Other items	$ 6.5	$ (0.7)	$ (0.3)	$ (0.5)	$ 0.1
Adjusted operating income from continuing operations before interest expense, other non-operating expense and taxes (non-GAAP)	$ 101.4	$ 114.8	$ 144.8	$ 181.8	$ 206.5
Adjusted operating margins (non-GAAP)	**7.0%**	**7.9%**	**9.6%**	**11.3%**	**12.5%**

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Adjusted Operating Margin – IHM

($ in millions)	2015	2016	2017	2018	2019
Net sales	$ 491.4	$ 453.8	$ 590.9	$ 694.7	$ 673.9
Operating income from continuing operations before interest expense, other non-operating expense and taxes, as reported	$ 59.6	$ 56.1	$ 52.6	$ 62.9	$ 60.0
Operating margins, as reported	**12.1%**	**12.4%**	**8.9%**	**9.1%**	**8.9%**
Non-GAAP adjustments:					
Restructuring charges:					
Severance and related costs	$ 3.4	$ 0.5	$ 0.2	$ 3.9	$ 6.1
Asset impairment and lease cancellation charges	$ 4.6	$ 0.4	$ -	$ 0.1	$ 3.3
Other items	$ -	$ 1.0	$ 3.5	$ (5.0)	$ -
Adjusted operating income from continuing operations before interest expense, other non-operating expense and taxes (non-GAAP)	$ 67.6	$ 58.0	$ 56.3	$ 61.9	$ 69.4
Adjusted operating margins (non-GAAP)	**13.8%**	**12.8%**	**9.5%**	**8.9%**	**10.3%**

AVERY DENNISON

Return on Total Capital (ROTC)

($ in millions)	2015	2016	2017	2018	2019	Adjusted ROTC 2017	Adjusted ROTC 2018	Adjusted ROTC 2019
As reported net income from continuing operations	$ 274.4	$ 320.7	$ 281.8	$ 467.4	$ 303.6	$ 281.8	$ 467.4	$ 303.6
TCJA provisional amounts[1]						$ 172.0		
Impact of previously planned repatriation of foreign earnings for Q4 2017						$ (29.4)		
Pension plan settlements and related charges							$ 93.7	$ 444.1
Tax benefit from pension plan contributions[2]							$ (31.0)	
Tax benefit from pension plan settlements							$ (19.3)	$ (179.0)
Interest expense, net of tax benefit[3]	$ 40.6	$ 40.3	$ 30.1	$ 49.5	$ 57.2	$ 45.4	$ 43.9	$ 57.2
Effective Tax Rate[3]	32.9%	32.8%	52.2%	15.4%	24.6%	28.0%	25.0%	24.6%
Income from continuing operations, excluding expense and tax benefit of debt financing (non-GAAP)	$ 315.0	$ 361.0	$ 311.9	$ 516.9	$ 360.8	$ 469.8	$ 554.7	$ 625.9
Total debt	$1,058.9	$1,292.5	$1,581.7	$1,966.2	$1,939.5	$ 1,581.7	$ 1,966.2	$ 1,939.5
Shareholders' equity	$ 965.7	$ 925.5	$1,046.2	$ 955.1	$1,204.0	$ 1,046.2	$ 955.1	$ 1,204.0
TCJA provisional amounts[1]						$ 172.0		
Impact of previously planned repatriation of foreign earnings for Q4 2017						$ (29.4)		
Pension plan settlements							$ 93.7	$ 444.1
Tax benefit from pension plan contributions[2]							$ (31.0)	
Tax benefit from pension plan settlements							$ (19.3)	$ (179.0)
Total debt and shareholders' equity	$2,024.6	$2,218.0	$2,627.9	$2,921.3	$3,143.5	$ 2,770.5	$ 2,964.7	$ 3,408.6
Return on Total Capital (ROTC) (non-GAAP)	**14.9%**	**17.0%**	**12.9%**	**18.6%**	**11.9%**	**18.8%**	**19.3%**	**19.6%**

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

(2) Tax benefits resulting from the deduction of the third quarter 2018 pension contributions on our 2017 U.S. income tax return.

(3) Interest expense, net of tax benefit for 2019, based on our GAAP tax rate of -22.7%, is not meaningful; Applying the adjusted tax rate of 24.6% removes the benefit of the negative tax rate from pension settlements and discrete foreign tax structuring and planning transactions.

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Free Cash Flow

($ in millions)	2015	2016	2017	2018	2019
Net cash provided by operating activities	$ 472.5	$ 582.1	$ 645.7	$ 457.9	$ 746.5
Purchases of property, plant and equipment	(135.8)	(176.9)	(190.5)	(226.7)	(219.4)
Purchases of software and other deferred charges	(15.7)	(29.7)	(35.6)	(29.9)	(37.8)
Proceeds from sales of property, plant and equipment	7.6	8.5	6.0	9.4	7.8
Proceeds from insurance and sales (purchases) of investments, net	0.7	3.1	(3.9)	18.5	4.9
Plus: Pension plan contribution for plan termination	-	-	-	200.0	10.3
Plus: divestiture-related payments and free cash outflow from discontinued operations	0.1	-	-	-	-
Free Cash Flow (non-GAAP)	$ 329.4	$ 387.1	$ 421.7	$ 429.2	$ 512.3

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Net Debt to Adjusted EBITDA

($ in millions)	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	4-pt Avg.
Net sales	$1,776.4	$1,854.2	$1,759.7	$1,768.7	$1,740.1	$1,795.7	$1,761.4	$1,772.9	
As reported net income (loss)	$ 125.2	$ 95.6	$ 149.5	$ 97.1	$ (146.9)	$ 143.4	$ 144.6	$ 162.5	
Interest expense	$ 13.2	$ 14.3	$ 14.7	$ 16.3	$ 19.5	$ 19.5	$ 19.0	$ 17.8	
Other non-operating expense	$ 3.3	$ 2.6	$ 9.0	$ 89.9	$ 446.5	$ 0.9	$ 0.8	$ (3.0)	
Income taxes	$ 33.3	$ 43.9	$ 17.7	$ (9.5)	$ (138.4)	$ 44.9	$ 34.6	$ 2.2	
Equity method investment losses	$ 0.6	$ 0.4	$ 0.8	$ 0.2	$ 0.9	$ 0.4	$ 0.7	$ 0.6	
Operating income from continuing operations before interest expense, other non-operating expense and taxes	$ 175.6	$ 156.8	$ 191.7	$ 194.0	$ 181.6	$ 209.1	$ 199.7	$ 180.1	
Non-GAAP Adjustments:									
Restructuring charges:									
Severance and related costs	$ 4.3	$ 58.8	$ (7.1)	$ 7.0	$ 10.4	$ 6.1	$ 3.3	$ 25.5	
Asset impairment and lease cancellation charges	$ 8.4	$ 0.6	$ 0.7	$ 1.0	$ 0.3	$ 1.4	$ -	$ 3.4	
Other items	$ 0.1	$ (2.3)	$ 3.4	$ (5.0)	$ (3.2)	$ -	$ 3.4	$ 2.6	
Adjusted operating income from continuing operations before interest expense, other non-operating expense and taxes (non-GAAP)	$ 188.4	$ 213.9	$ 188.7	$ 197.0	$ 189.1	$ 216.6	$ 206.4	$ 211.6	
Depreciation	$ 34.3	$ 34.8	$ 37.1	$ 35.3	$ 34.9	$ 35.5	$ 34.9	$ 35.0	
Amortization	$ 10.2	$ 10.0	$ 9.6	$ 9.7	$ 9.6	$ 9.4	$ 9.1	$ 10.6	
Adjusted net income before interest, taxes, other non-operating expense, depreciation & amortization ("EBITDA") (non-GAAP)	**$ 232.9**	**$ 258.7**	**$ 235.4**	**$ 242.0**	**$ 233.6**	**$ 261.5**	**$ 250.4**	**$ 257.2**	
Total Debt	$1,713.0	$1,674.0	$1,867.0	$1,966.2	$2,110.2	$2,061.8	$1,997.9	$1,939.5	
Less: Cash and cash equivalents	$ 187.5	$ 215.8	$ 217.6	$ 232.0	$ 225.7	$ 247.3	$ 224.2	$ 253.7	
Net Debt	**$1,525.5**	**$1,458.2**	**$1,649.4**	**$1,734.2**	**$1,884.5**	**$1,814.5**	**$1,773.7**	**$1,685.8**	
Net Debt to Adjusted LTM* EBITDA (Non-GAAP)					**1.9**	**1.9**	**1.8**	**1.7**	**1.8**

*LTM = Last twelve months

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