

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

**FORM 8-K**

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

Date of Report (Date of earliest event reported) July 23, 2024

**AVERY DENNISON CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-7685**  
(Commission  
File Number)

**95-1492269**  
(IRS Employer  
Identification No.)

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

**44060**  
(Zip Code)

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

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

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

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

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

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

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

Emerging growth company

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

## Section 2 - Financial Information

### Item 2.02 Results of Operations and Financial Condition.

Avery Dennison Corporation's (the "Company's") press release, dated July 23, 2024, announcing the Company's preliminary, unaudited financial results for the second quarter of 2024 and updated guidance for the 2024 fiscal year is attached hereto as Exhibit 99.1 and is being furnished (not filed) with this Form 8-K.

The Company's supplemental presentation materials, dated July 23, 2024, regarding the Company's preliminary, unaudited financial review and analysis for the second quarter of 2024 and updated guidance for the 2024 fiscal year is attached hereto as Exhibit 99.2 and is being furnished (not filed) with this Form 8-K. The press release and presentation materials are also available on the Company's website at [www.investors.averydennison.com](http://www.investors.averydennison.com).

The Company will discuss its preliminary, unaudited financial results during a webcast and teleconference to be held on July 23, 2024, at 12:00 p.m. ET. To access the webcast and teleconference, please go to the Company's website at [www.investors.averydennison.com](http://www.investors.averydennison.com).

## Section 9 - Financial Statements and Exhibits

### Item 9.01 Financial Statements and Exhibits.

#### (d) Exhibits.

- 99.1 [Press release, dated July 23, 2024, announcing the Company's preliminary, unaudited financial results for the second quarter of 2024.](#)
- 99.2 [Supplemental presentation materials, dated July 23, 2024, regarding the Company's preliminary, unaudited financial review and analysis for the second quarter of 2024.](#)

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

Certain statements contained in this Form 8-K and the exhibits attached hereto are forward-looking statements intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements, and financial or other business targets, are subject to certain risks and uncertainties.

The Company believes that the most significant risk factors that could affect its financial performance in the near term include: (i) the impact on underlying demand for the Company's products from global economic conditions, political uncertainty, and changes in environmental standards, regulations, and preferences; (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, and 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
- The Company's Business – fluctuations in demand affecting sales to customers; fluctuations in the cost and availability of raw materials and energy; changes in the Company's markets due to competitive conditions, technological developments, 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; the Company's ability to generate sustained productivity improvement; the Company's ability to achieve and sustain targeted cost reductions; collection of receivables from customers; 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
- The Company's Indebtedness – credit risks; the Company's ability to obtain adequate financing arrangements and maintain access to capital; fluctuations in interest rates; volatility in financial markets; and compliance with the Company's debt covenants
- Ownership of the Company's Stock – potential significant variability of the Company's stock price and amounts of future dividends and share repurchases
- Legal and Regulatory Matters – protection and infringement of intellectual property; impact of legal and regulatory proceedings, including with respect to 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 Part I, Item 1A. "Risk Factors" and Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's 2023 Form 10-K, filed with the Securities and Exchange Commission on February 21, 2024, and subsequent quarterly reports on Form 10-Q. The forward-looking statements included in this Form 8-K are made only as of the date of this Form 8-K, and the Company undertakes no obligation to update these statements to reflect subsequent events or circumstances, other than as may be required by law.

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Press release, dated July 23, 2024, announcing the Company's preliminary, unaudited financial results for the second quarter of 2024.</a>
99.2	<a href="#">Supplemental presentation materials, dated July 23, 2024, regarding the Company's preliminary, unaudited financial review and analysis for the second quarter of 2024.</a>
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

**SIGNATURES**

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

**AVERY DENNISON CORPORATION**

Date: July 23, 2024

By: /s/ Gregory S. Lovins  
Name: Gregory S. Lovins  
Title: Senior Vice President and Chief Financial Officer



For Immediate Release

## AVERY DENNISON ANNOUNCES SECOND QUARTER 2024 RESULTS

### Highlights:

- 2Q24 Reported EPS of \$2.18, up 76%
  - 2Q24 Adjusted EPS (non-GAAP) of \$2.42, up 26%
- 2Q24 Net sales of \$2.2 billion, up 7%
  - Sales change ex. currency (non-GAAP) up 8%
  - Organic sales change (non-GAAP) up 7%
- FY24 EPS guidance
  - Revising Reported EPS guidance of \$8.75 to \$8.95 (previously \$8.60 to \$9.10)
  - Raising Adjusted EPS guidance of \$9.30 to \$9.50 (previously \$9.00 to \$9.50)

**MENTOR, Ohio, July 23, 2024** – Avery Dennison Corporation (NYSE:AVY) today announced preliminary, unaudited results for its second quarter ended June 29, 2024. Non-GAAP financial measures referenced in this release are reconciled from GAAP in the attached financial schedules. Unless otherwise indicated, comparisons are to the same period in the prior year.

“We delivered a strong second quarter, with significant earnings growth, driven by higher volume and productivity gains,” said Deon Stander, president and CEO. “Both our Materials and Solutions Groups delivered strong top- and bottom-line growth.

“In Intelligent Labels, we are targeting to deliver another year of significant growth, as apparel volumes normalize and new categories adopt our solutions that help address key industry challenges.

“We have raised our full-year outlook for adjusted earnings per share. We continue to remain confident that the consistent execution of our strategies will enable us to meet our long-term goals for superior value creation for all our stakeholders,” added Stander.

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

## **Second Quarter 2024 Results by Segment**

### **Materials Group**

- Reported sales increased 5% to \$1.5 billion. Sales were up 6% ex. currency and on an organic basis.
  - Label Materials sales were up mid-to-high single-digits on an organic basis.
    - Volume/mix was up low double-digits, which was partially offset by deflation-related price reductions.
  - Graphics and Reflectives were up low single-digits organically.
  - Performance Tapes and Medical were down low single-digits organically.
- Reported operating margin was 14.4%. Adjusted EBITDA margin (non-GAAP) was 17.9%, up 220 basis points driven by higher volume/mix and benefits from productivity, partially offset by higher employee-related costs.

### **Solutions Group**

- Reported sales increased 12% to \$689 million. Sales were up 14% ex. currency and 11% on an organic basis.
  - Sales in high-value categories were up low double-digits ex. currency.
  - Sales were up mid-to-high teens ex. currency in base solutions.
- Reported operating margin was 9.3%. Adjusted EBITDA margin was 16.8%, up 100 basis points, driven by higher volume and benefits from productivity, partially offset by higher employee-related costs and investments.
  - Margin was up 70 basis points sequentially; the company expects margin to continue to improve in the second half of 2024.

### **Other**

#### **Balance Sheet and Capital Deployment**

During the first half of 2024, the company returned \$177 million in cash to shareholders through a combination of dividends and share repurchases. The company repurchased 0.2 million shares at an aggregate cost of \$41 million in the first half of the year. Net of dilution from long-term incentive awards, the company's share count was unchanged compared to the same time last year. On April 25, 2024, the company increased its quarterly dividend to \$0.88 per share, representing an increase of approximately 9% over the previous dividend rate.

The company continues to deploy capital in a disciplined manner, executing its long-term capital allocation strategy. The company's balance sheet remains strong. Net debt to adjusted EBITDA (non-GAAP) was 2.2x at the end of the second quarter.

## **Income Taxes**

The company's reported effective tax rate was 25.8% in the second quarter. The adjusted tax rate (non-GAAP) for the quarter was 26.0%.

## **Cost Reduction Actions**

In the first half of the year, the company realized approximately \$36 million in pre-tax savings from restructuring, net of transition costs, and incurred approximately \$13 million in pre-tax restructuring charges.

## **Guidance**

In its supplemental presentation materials, "Second Quarter 2024 Financial Review and Analysis," the company provides a list of factors that it believes will contribute to its 2024 financial results. Based on the factors listed and other assumptions, the company has revised its guidance range for 2024 reported earnings per share from \$8.60 to \$9.10 to \$8.75 to \$8.95.

Excluding an estimated \$0.55 per share impact of restructuring charges and other items, the company raised its guidance range for 2024 for adjusted earnings per share from \$9.00 to \$9.50 to \$9.30 to \$9.50.

*For more details on the company's results, see the summary tables accompanying this news release, as well as the supplemental presentation materials, "Second Quarter 2024 Financial Review and Analysis," posted on the company's website at [www.investors.averydennison.com](http://www.investors.averydennison.com), and furnished to the SEC on Form 8-K.*

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

## **About Avery Dennison**

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

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

**Contacts:**

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**Second Quarter Financial Summary - Preliminary, unaudited**  
(In millions, except % and per share amounts)

	2Q		% Sales Change vs. PY		
	2024	2023	Reported	Ex. Currency	Organic
Net sales, by segment:					
Materials Group	\$1,546.8	\$1,476.0	4.8%	5.6%	5.6%
Solutions Group	688.5	614.5	12.0%	13.7%	10.8%
<b>Total net sales</b>	<b>\$2,235.3</b>	<b>\$2,090.5</b>	<b>6.9%</b>	<b>8.0%</b>	<b>7.1%</b>
	<b>As Reported (GAAP)</b>			<b>Adjusted Non-GAAP</b>	
	2Q	2Q	%	% of Sales	
	2024	2023	Change	2024	2023
Operating income (loss)/operating margins before interest, other non-operating expense (income), and taxes, by segment:					
Materials Group	\$223.4	\$193.8		14.4%	13.1%
Solutions Group	64.1	(7.2)		9.3%	(1.2%)
Corporate expense	(25.7)	(21.1)			
<b>Total operating income/operating margins before interest, other non-operating expense (income), and taxes</b>	<b>\$261.8</b>	<b>\$165.5</b>	<b>58%</b>	<b>11.7%</b>	<b>7.9%</b>
Interest expense	\$29.2	\$31.9			
Other non-operating expense (income), net	(\$5.8)	(\$6.6)			
Income before taxes	\$238.4	\$140.2	70%	10.7%	6.7%
Provision for income taxes	\$61.6	\$39.8			
Net income	\$176.8	\$100.4	76%	7.9%	4.8%
Net income per common share, assuming dilution	\$2.18	\$1.24	76%		
Adjusted free cash flow				\$142.5	\$134.9
YTD Adjusted free cash flow				\$200.6	\$63.7
Adjusted EBITDA:					
Materials Group				\$277.3	\$231.9
Solutions Group				\$115.6	\$97.0
Corporate expense				(\$25.5)	(\$21.1)
<b>Total Adjusted EBITDA</b>				<b>\$367.4</b>	<b>\$307.8</b>

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

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

	(UNAUDITED)			
	Three Months Ended		Six Months Ended	
	Jun. 29, 2024	Jul. 1, 2023	Jun. 29, 2024	Jul. 1, 2023
Net sales	\$ 2,235.3	\$ 2,090.5	\$ 4,386.6	\$ 4,155.5
Cost of products sold	1,572.6	1,537.1	3,091.7	3,059.8
Gross profit	662.7	553.4	1,294.9	1,095.7
Marketing, general and administrative expense	373.9	319.6	739.1	654.0
Other expense (income), net	27.0	68.3	39.6	86.1
Interest expense	29.2	31.9	57.8	58.3
Other non-operating expense (income), net	(5.8)	(6.6)	(14.4)	(11.2)
Income before taxes	238.4	140.2	472.8	308.5
Provision for income taxes	61.6	39.8	123.6	86.9
Net income	\$ 176.8	\$ 100.4	\$ 349.2	\$ 221.6
Per share amounts:				
Net income per common share, assuming dilution	\$ 2.18	\$ 1.24	\$ 4.31	\$ 2.73
Weighted average number of common shares outstanding, assuming dilution	81.0	81.0	81.0	81.2

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

	(UNAUDITED)	
ASSETS	Jun. 29, 2024	Jul. 1, 2023
<b>Current assets:</b>		
Cash and cash equivalents	\$ 208.8	\$ 217.1
Trade accounts receivable, net	1,528.6	1,415.2
Inventories	979.9	990.5
Other current assets	250.5	228.2
Total current assets	2,967.8	2,851.0
Property, plant and equipment, net	1,590.0	1,567.0
Goodwill and other intangibles resulting from business acquisitions, net	2,790.7	2,868.9
Deferred tax assets	113.0	119.7
Other assets	836.7	859.7
	<b>\$ 8,298.2</b>	<b>\$ 8,266.3</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Short-term borrowings and current portion of long-term debt and finance leases	\$ 1,172.3	\$ 635.8
Accounts payable	1,313.4	1,234.8
Other current liabilities	814.5	738.1
Total current liabilities	3,300.2	2,608.7
Long-term debt and finance leases	2,046.5	2,909.7
Other long-term liabilities	664.4	732.7
<b>Shareholders' equity:</b>		
Common stock	124.1	124.1
Capital in excess of par value	833.1	851.3
Retained earnings	4,922.2	4,526.9
Treasury stock at cost	(3,154.6)	(3,093.9)
Accumulated other comprehensive loss	(437.7)	(393.2)
Total shareholders' equity	2,287.1	2,015.2
	<b>\$ 8,298.2</b>	<b>\$ 8,266.3</b>

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

	(UNAUDITED)	
	Six Months Ended	
	Jun. 29, 2024	Jul. 1, 2023
<b>Operating Activities</b>		
Net income	\$ 349.2	\$ 221.6
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	98.7	91.5
Amortization	57.2	54.8
Provision for credit losses and sales returns	28.2	18.9
Stock-based compensation	17.4	12.2
Deferred taxes and other non-cash taxes	(3.8)	(17.5)
Other non-cash expense and loss (income and gain), net	46.6	17.0
Changes in assets and liabilities and other adjustments	(276.0)	(207.0)
<b>Net cash provided by operating activities</b>	<b>317.5</b>	<b>191.5</b>
<b>Investing Activities</b>		
Purchases of property, plant and equipment	(96.3)	(115.9)
Purchases of software and other deferred charges	(12.9)	(11.0)
Purchases of Argentine Blue Chip Swap securities	(34.2)	---
Proceeds from sales of Argentine Blue Chip Swap securities	24.0	---
Proceeds from sales of property, plant and equipment	0.3	0.3
Proceeds from insurance and sales (purchases) of investments, net	2.2	(1.2)
Payments for acquisitions, net of cash acquired, and venture investments	(1.9)	(194.1)
<b>Net cash used in investing activities</b>	<b>(118.8)</b>	<b>(321.9)</b>
<b>Financing Activities</b>		
Net increase (decrease) in borrowings with maturities of three months or less	(2.2)	281.8
Additional long-term borrowings	---	394.9
Repayments of long-term debt and finance leases	(3.5)	(252.6)
Dividends paid	(136.2)	(126.2)
Share repurchases	(40.7)	(89.5)
Net (tax withholding) proceeds related to stock-based compensation	(18.4)	(23.7)
Other	(1.1)	(1.6)
<b>Net cash (used in) provided by financing activities</b>	<b>(202.1)</b>	<b>183.1</b>
Effect of foreign currency translation on cash balances	(2.8)	(2.8)
Increase (decrease) in cash and cash equivalents	(6.2)	49.9
Cash and cash equivalents, beginning of year	215.0	167.2
<b>Cash and cash equivalents, end of period</b>	<b>\$ 208.8</b>	<b>\$ 217.1</b>

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### Reconciliation of Non-GAAP Financial Measures from GAAP

We report our financial results in conformity with accounting principles generally accepted in the United States of America, or GAAP, and also communicate with investors using certain non-GAAP financial measures. These non-GAAP financial measures are not in accordance with, nor are they a substitute for or superior to, the comparable GAAP financial measures. These non-GAAP financial measures are intended to supplement the presentation of our financial results prepared in accordance with GAAP. We use these non-GAAP financial measures internally to evaluate trends in our underlying performance, as well as to facilitate comparisons with the results of competitors for quarters and year-to-date periods, as applicable. Based on feedback from investors and financial analysts, we believe that the supplemental non-GAAP financial measures we provide are also useful to their assessments of our performance and operating trends, as well as liquidity. Reconciliations of our non-GAAP financial measures from the most directly comparable GAAP financial measures are provided in accordance with Regulations G and S-K.

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 matters and 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, gains or losses on venture investments, currency adjustments due to highly inflationary economies, and other items), we believe that we are providing meaningful supplemental information that facilitates an understanding of our core operating results and liquidity measures. While some of the items we exclude from GAAP financial measures recur, they tend to be disparate in amount, frequency or timing.

We use the non-GAAP financial measures described below in the accompanying news release.

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

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

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

*Adjusted operating income* refers to net income adjusted for taxes; other expense (income), net; interest expense; other non-operating expense (income), net; and other items.

*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 projected full-year GAAP tax rate, adjusted to exclude certain unusual or infrequent events that are expected to significantly impact that rate, such as effects of certain discrete tax planning actions, impacts related to enactments of comprehensive tax law changes, and other items.

*Adjusted net income* refers to income before taxes, tax-effected at the adjusted tax rate, and adjusted for tax-effected restructuring charges, and other items.

*Adjusted net income per common share, assuming dilution (adjusted EPS)* refers to adjusted net income divided by the weighted average number of common shares outstanding, assuming dilution.

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

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

*Adjusted free cash flow* refers to cash flow provided by operating activities, less payments for property, plant and equipment, software and other deferred charges, plus proceeds from company-owned life insurance policies, plus proceeds from sales of property, plant and equipment, plus (minus) net proceeds from insurance and sales (purchases) of investments, less net cash used for Argentine Blue Chip Swap securities. 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.

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

	(UNAUDITED)			
	Three Months Ended		Six Months Ended	
	Jun. 29, 2024	Jul. 1, 2023	Jun. 29, 2024	Jul. 1, 2023
<b>Reconciliation of non-GAAP operating and EBITDA margins from GAAP:</b>				
Net sales	\$ 2,235.3	\$ 2,090.5	\$ 4,386.6	\$ 4,155.5
Income before taxes	\$ 238.4	\$ 140.2	\$ 472.8	\$ 308.5
Income before taxes as a percentage of net sales	10.7%	6.7%	10.8%	7.4%
Adjustments:				
Interest expense	\$ 29.2	\$ 31.9	\$ 57.8	\$ 58.3
Other non-operating expense (income), net	(5.8)	(6.6)	(14.4)	(11.2)
Operating income before interest expense, other non-operating expense (income) and taxes	\$ 261.8	\$ 165.5	\$ 516.2	\$ 355.6
Operating margins	11.7%	7.9%	11.8%	8.6%
As reported net income	\$ 176.8	\$ 100.4	\$ 349.2	\$ 221.6
Adjustments:				
Restructuring charges, net of reversals:				
Severance and related costs, net of reversals	6.3	8.8	11.2	25.9
Asset impairment and lease cancellation charges	0.9	1.2	2.0	1.7
(Gain) loss on venture investments	15.0	---	17.2	---
Losses from Argentine peso remeasurement and Blue Chip Swap transactions <sup>(1)</sup>	4.1	---	15.4	---
Outcomes of legal matters and settlements, net	0.4	53.8	0.2	53.8
Transaction and related costs	0.3	4.0	0.3	4.2
(Gain) loss on sales of assets	---	0.5	---	0.5
Interest expense	29.2	31.9	57.8	58.3
Other non-operating expense (income), net <sup>(2)</sup>	(5.8)	(6.6)	(14.4)	(11.2)
Provision for income taxes	61.6	39.8	123.6	86.9
Adjusted operating income (non-GAAP)	\$ 288.8	\$ 233.8	\$ 562.5	\$ 441.7
Adjusted operating margins (non-GAAP)	12.9%	11.2%	12.8%	10.6%
Depreciation and amortization	\$ 78.6	\$ 74.0	\$ 155.9	\$ 146.3
Adjusted EBITDA (non-GAAP)	\$ 367.4	\$ 307.8	\$ 718.4	\$ 588.0
Adjusted EBITDA margins (non-GAAP)	16.4%	14.7%	16.4%	14.1%
<b>Reconciliation of non-GAAP net income from GAAP:</b>				
As reported net income	\$ 176.8	\$ 100.4	\$ 349.2	\$ 221.6
Adjustments:				
Restructuring charges and other items	27.0	68.3	46.3	86.1
Argentine interest income <sup>(1)</sup>	(0.5)	---	(4.1)	---
Tax effect on restructuring charges and other items, and impact of adjusted tax rate	(7.3)	(13.3)	(10.3)	(13.7)
Adjusted net income (non-GAAP)	\$ 196.0	\$ 155.4	\$ 381.1	\$ 294.0

<sup>(1)</sup> The total pretax net loss from the Argentine peso-related items was \$3.6 and \$11.3 for the three and six months ended June 29, 2024, respectively.

<sup>(2)</sup> "Other non-operating expense (income), net" includes Argentine interest income of \$5 and \$4.1 for the three and six months ended June 29, 2024, respectively.

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

	(UNAUDITED)			
	Three Months Ended		Six Months Ended	
	Jun. 29, 2024	Jul. 1, 2023	Jun. 29, 2024	Jul. 1, 2023
<b>Reconciliation of non-GAAP net income per common share from GAAP:</b>				
As reported net income per common share, assuming dilution	\$ 2.18	\$ 1.24	\$ 4.31	\$ 2.73
Adjustments per common share, net of tax:				
Restructuring charges and other items	0.33	0.84	0.57	1.06
Argentine interest income	---	---	(0.05)	---
Tax effect on restructuring charges and other items, and impact of adjusted tax rate	(0.09)	(0.16)	(0.13)	(0.17)
Adjusted net income per common share, assuming dilution (non-GAAP)	\$ 2.42	\$ 1.92	\$ 4.70	\$ 3.62
Weighted average number of common shares outstanding, assuming dilution	81.0	81.0	81.0	81.2

Our adjusted tax rate was 26% for the three and six months ended June 29, 2024 and 25.5% for the three and six months ended July 1, 2023, respectively.

	(UNAUDITED)			
	Three Months Ended		Six Months Ended	
	Jun. 29, 2024	Jul. 1, 2023	Jun. 29, 2024	Jul. 1, 2023
<b>Reconciliation of adjusted free cash flow:</b>				
Net cash provided by operating activities <sup>(1)</sup>	\$ 197.7	\$ 189.6	\$ 317.5	\$ 191.5
Purchases of property, plant and equipment	(47.5)	(51.4)	(96.3)	(115.9)
Purchases of software and other deferred charges	(6.0)	(5.7)	(12.9)	(11.0)
Purchases of Argentine Blue Chip Swap securities	(14.0)	---	(34.2)	---
Proceeds from sales of Argentine Blue Chip Swap securities	10.0	---	24.0	---
Proceeds from sales of property, plant and equipment	0.2	0.1	0.3	0.3
Proceeds from insurance and sales (purchases) of investments, net	2.1	2.3	2.2	(1.2)
Adjusted free cash flow (non-GAAP)	\$ 142.5	\$ 134.9	\$ 200.6	\$ 63.7

<sup>(1)</sup> Net cash provided by operating activities for the three and six months ended June 29, 2024 included payments associated with the settlement of a significant legal matter, net of taxes. The full-year 2024 cash payment, net of cash tax benefit, related to this settlement is estimated to be \$56.6.

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

	Second Quarter Ended					
	NET SALES		OPERATING INCOME (LOSS)		OPERATING MARGINS	
	2024	2023	2024	2023	2024	2023
Materials Group	\$ 1,546.8	\$ 1,476.0	\$ 223.4	\$ 193.8	14.4%	13.1%
Solutions Group	688.5	614.5	64.1	(7.2)	9.3%	(1.2%)
Corporate Expense	N/A	N/A	(25.7)	(21.1)	N/A	N/A
<b>TOTAL FROM OPERATIONS</b>	<b>\$ 2,235.3</b>	<b>\$ 2,090.5</b>	<b>\$ 261.8</b>	<b>\$ 165.5</b>	<b>11.7%</b>	<b>7.9%</b>

RECONCILIATION OF NON-GAAP SUPPLEMENTARY INFORMATION FROM GAAP

	Second Quarter Ended			
	2024	2023	2024	2023
<b>Materials Group</b>				
Operating income and margins, as reported	\$ 223.4	\$ 193.8	14.4%	13.1%
Adjustments:				
Restructuring charges, net of reversals:				
Severance and related costs, net of reversals	1.6	4.5	0.1%	0.3%
Asset impairment charges	---	1.1	---	0.1%
(Gain) loss on venture investment	15.0	---	1.0%	---
Losses from Argentine peso remeasurement and Blue Chip Swap transactions	4.1	---	0.3%	---
Outcomes of legal matters and settlements, net	0.4	---	---	---
(Gain) loss on sales of assets	---	0.5	---	---
<b>Adjusted operating income and margins (non-GAAP)</b>	<b>\$ 244.5</b>	<b>\$ 199.9</b>	<b>15.8%</b>	<b>13.5%</b>
Depreciation and amortization	32.8	32.0	2.1%	2.2%
<b>Adjusted EBITDA and margins (non-GAAP)</b>	<b>\$ 277.3</b>	<b>\$ 231.9</b>	<b>17.9%</b>	<b>15.7%</b>
<b>Solutions Group</b>				
Operating income (loss) and margins, as reported	\$ 64.1	\$ (7.2)	9.3%	(1.2%)
Adjustments:				
Restructuring charges, net of reversals:				
Severance and related costs, net of reversals	4.5	4.3	0.7%	0.7%
Asset impairment charges	0.9	0.1	0.1%	---
Transaction and related costs	0.3	4.0	---	0.7%
Outcomes of legal matters and settlements, net	---	53.8	---	8.8%
<b>Adjusted operating income and margins (non-GAAP)</b>	<b>\$ 69.8</b>	<b>\$ 55.0</b>	<b>10.1%</b>	<b>9.0%</b>
Depreciation and amortization	45.8	42.0	6.7%	6.8%
<b>Adjusted EBITDA and margins (non-GAAP)</b>	<b>\$ 115.6</b>	<b>\$ 97.0</b>	<b>16.8%</b>	<b>15.8%</b>

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

	Six Months Ended					
	NET SALES		OPERATING INCOME (LOSS)		OPERATING MARGINS	
	2024	2023	2024	2023	2024	2023
Materials Group	\$ 3,043.3	\$ 2,936.5	\$ 449.5	\$ 354.3	14.8%	12.1%
Solutions Group	1,343.3	1,219.0	120.2	44.3	8.9%	3.6%
Corporate Expense	N/A	N/A	(53.5)	(43.0)	N/A	N/A
<b>TOTAL FROM OPERATIONS</b>	<b>\$ 4,386.6</b>	<b>\$ 4,155.5</b>	<b>\$ 516.2</b>	<b>\$ 355.6</b>	<b>11.8%</b>	<b>8.6%</b>

RECONCILIATION OF NON-GAAP SUPPLEMENTARY INFORMATION FROM GAAP

	Six Months Ended			
	2024	2023	2024	2023
<b>Materials Group</b>				
Operating income and margins, as reported	\$ 449.5	\$ 354.3	14.8%	12.1%
Adjustments:				
Restructuring charges, net of reversals:				
Severance and related costs, net of reversals	4.0	18.8	0.1%	0.6%
Asset impairment charges	0.1	1.1	---	0.1%
Losses from Argentine peso remeasurement and Blue Chip Swap transactions	15.4	---	0.5%	---
(Gain) loss on venture investment	15.0	---	0.5%	---
Outcomes of legal matters and settlements, net	1.0	---	---	---
(Gain) loss on sales of assets	---	0.5	---	---
Adjusted operating income and margins (non-GAAP)	<b>\$ 485.0</b>	<b>\$ 374.7</b>	<b>15.9%</b>	<b>12.8%</b>
Depreciation and amortization	65.6	64.7	2.2%	2.2%
Adjusted EBITDA and margins (non-GAAP)	<b>\$ 550.6</b>	<b>\$ 439.4</b>	<b>18.1%</b>	<b>15.0%</b>
<b>Solutions Group</b>				
Operating income and margins, as reported	\$ 120.2	\$ 44.3	8.9%	3.6%
Adjustments:				
Restructuring charges, net of reversals:				
Severance and related costs, net of reversals	6.9	7.2	0.5%	0.6%
Asset impairment and lease cancellation charges	1.9	0.6	0.2%	0.1%
(Gain) loss on venture investment	2.2	---	0.2%	---
Outcomes of legal matters and settlements, net	(0.8)	53.8	(0.1%)	4.4%
Transaction and related costs	0.3	4.2	---	0.3%
Adjusted operating income and margins (non-GAAP)	<b>\$ 130.7</b>	<b>\$ 110.1</b>	<b>9.7%</b>	<b>9.0%</b>
Depreciation and amortization	90.3	81.6	6.8%	6.7%
Adjusted EBITDA and margins (non-GAAP)	<b>\$ 221.0</b>	<b>\$ 191.7</b>	<b>16.5%</b>	<b>15.7%</b>

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

	QTD			
	3Q23	4Q23	1Q24	2Q24
<b>Reconciliation of adjusted EBITDA from GAAP:</b>				
As reported net income	\$ 138.3	\$ 143.1	\$ 172.4	\$ 176.8
Adjustments <sup>(1)</sup>	54.1	40.7	19.3	27.0
Interest expense	31.0	29.7	28.6	29.2
Other non-operating expense (income), net	(8.7)	(10.9)	(8.6)	(5.8)
Provision for income taxes	46.3	58.5	62.0	61.6
Depreciation and amortization	75.1	77.0	77.3	78.6
Adjusted EBITDA (non-GAAP)	\$ 336.1	\$ 338.1	\$ 351.0	\$ 367.4
<hr/>				
Total Debt				\$ 3,218.8
Less: Cash and cash equivalents				208.8
Net Debt				\$ 3,010.0
Net Debt to Adjusted EBITDA LTM* (non-GAAP)				2.2

\*LTM = Last twelve months (3Q23 to 2Q24)

<sup>(1)</sup> Includes "Other expense (income), net" and other items. Refer to schedule A-5.

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**AVERY DENNISON CORPORATION**  
**PRELIMINARY SUPPLEMENTARY INFORMATION**  
**(UNAUDITED)**

	<b>Second Quarter 2024</b>		
	Total Company	Materials Group	Solutions Group
<b>Reconciliation of organic sales change from GAAP:</b>			
Reported net sales change	6.9%	4.8%	12.0%
Foreign currency translation	1.1%	0.8%	1.7%
Sales change ex. currency (non-GAAP) <sup>(1)</sup>	8.0%	5.6%	13.7%
Acquisitions	(0.9%)	---	(3.0%)
Organic sales change (non-GAAP) <sup>(1)</sup>	7.1%	5.6%	10.8%

<sup>(1)</sup> Totals may not sum due to rounding.

	<b>Six Months Ended 2024</b>		
	Total Company	Materials Group	Solutions Group
<b>Reconciliation of organic sales change from GAAP:</b>			
Reported net sales change	5.6%	3.6%	10.2%
Foreign currency translation	0.5%	0.1%	1.6%
Sales change ex. currency (non-GAAP) <sup>(1)</sup>	6.1%	3.8%	11.8%
Acquisitions	(1.0%)	---	(3.5%)
Organic sales change (non-GAAP) <sup>(1)</sup>	5.1%	3.8%	8.3%

<sup>(1)</sup> Totals may not sum due to rounding.

# Second Quarter 2024 Financial Review and Analysis (preliminary, unaudited)

July 23, 2024

**Supplemental Presentation Materials**

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



## Safe Harbor Statement

Certain statements contained in this document are "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements, and financial or other business targets, are subject to certain risks and uncertainties. We believe that the most significant risk factors that could affect our financial performance in the near term include: (i) the impact on underlying demand for our products from global economic conditions, political uncertainty, and changes in environmental standards, regulations, and preferences; (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, and 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 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, and subsequent quarterly reports on Form 10-Q.

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

## Use of Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures as defined by SEC rules. We report our financial results in conformity with accounting principles generally accepted in the United States of America, or GAAP, and also communicate with investors using certain non-GAAP financial measures. These non-GAAP financial measures are not in accordance with, nor are they a substitute for or superior to, the comparable GAAP financial measures. These non-GAAP financial measures are intended to supplement the presentation of our financial results prepared in accordance with GAAP. We use these non-GAAP financial measures internally to evaluate trends in our underlying performance, as well as to facilitate comparisons with the results of competitors for quarters and year-to-date periods, as applicable. Based on feedback from investors and financial analysts, we believe that the supplemental non-GAAP financial measures we provide are also useful to their assessments of our performance and operating trends, as well as liquidity. In accordance with Regulations G and S-K, reconciliations of non-GAAP financial measures from the most directly comparable GAAP financial measures, including limitations associated with these non-GAAP financial measures, are provided in the appendix to this document and/or the financial schedules accompanying the earnings news release for the quarter (see Attachments A-4 through A-9 to news release dated July 23, 2024).

Our non-GAAP financial measures exclude the impact of certain events, activities or strategic decisions. The accounting effects of these events, activities or decisions, which are included in the GAAP financial measures, may make it more difficult to assess our underlying performance in a single period. By excluding the accounting effects, positive or negative, of certain items (e.g., restructuring charges, outcomes of certain legal matters and 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, 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, and, where applicable, an extra week in our fiscal year, the calendar shift resulting from an extra week in the prior fiscal year, currency adjustments for transitional reporting of highly inflationary economies, and 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 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; other non-operating expense (income), net; and other items.
- **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 projected 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.
- **Net debt to adjusted EBITDA ratio** refers to total debt (including finance leases) less cash and cash equivalents, divided by adjusted EBITDA for the last twelve months. We believe that the net debt to adjusted EBITDA ratio assists investors in assessing our leverage position.
- **Adjusted free cash flow (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, less net cash used for Argentine Blue Chip Swap securities. 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.

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

July 23, 2024

Q2 2024 financial review and analysis, preliminary and unaudited





## **Delivered another strong quarter; Q2 adj. EPS up 26%; raising FY guidance**

### **Materials Group delivered strong sales growth and significant margin expansion**

- Label Materials volume grew double-digits, as expected
- Margins expanded more than 2 points, driven by volume leverage and productivity

### **Solutions Group delivered double-digit sales growth and expanded margins**

- Apparel volume environment continued to improve sequentially, ahead of expectations

### **Strong growth in Intelligent Labels as apparel volumes normalize and new categories adopt**

### **Continued to generate strong adj. free cash flow**

### **Raising FY24 adj. EPS (non-GAAP) guidance to \$9.30 to \$9.50, up 15 cents at midpoint and 19% vs. PY**

- Increasing FY organic sales growth outlook to 4.0% to 5.0%
- Increasing 2H operational outlook more than 5 cents, excluding currency translation headwind

## Second quarter 2024 review

### Net sales of \$2.2 bil.

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

### Reported operating income of \$262 mil.

- Adj. EBITDA (non-GAAP) of \$367 mil., up 19% vs. PY and 5% sequentially
- Adj. EBITDA margin (non-GAAP) of 16.4%, up 170 bps

### Reported EPS of \$2.18, up 76%

- Adj. EPS (non-GAAP) of \$2.42, up 26% vs. PY and 6% sequentially

### YTD adj. FCF (non-GAAP) of \$201 mil., up \$137 mil. vs. PY

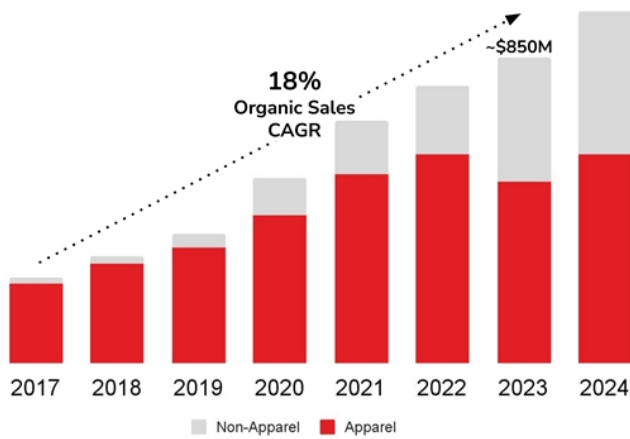
### Returned \$177 mil. to shareholders in 1H through combination of dividends and share repurchases

- Raised dividend rate by 9% in April

### Maintained strong balance sheet; continuing to deploy capital in disciplined manner

- Net debt to adj. EBITDA (non-GAAP) ratio of 2.2

## Intelligent Labels – leveraging our market-leading position to accelerate new category adoptions with significant growth opportunities



- **Industry-leading position**
  - Global scale, proprietary technology, innovation and go-to-market team
- **Helping solve complex industry challenges**
  - Optimize labor/supply chains, reduce waste, advance sustainability and help brands/consumers better connect
- **YTD organic sales up mid-to-high teens**

**Targeting 20%+ volume growth and mid-teens sales growth in 2024**

## Quarterly sales trend analysis

	2Q23	3Q23	4Q23	1Q24	2Q24
<b>Reported Sales Change</b>	<b>(11%)</b>	<b>(9%)</b>	<b>4%</b>	<b>4%</b>	<b>7%</b>
Organic Sales Change <sup>(1)</sup>	(10%)	(11%)	1%	3%	7%
Acquisitions/Divestitures	1%	1%	1%	1%	1%
Sales Change Ex. Currency <sup>(1)(2)</sup>	(10%)	(10%)	3%	4%	8%
Currency Translation	(1%)	1%	2%	0%	(1%)
<b>Reported Sales Change<sup>(2)</sup></b>	<b>(11%)</b>	<b>(9%)</b>	<b>4%</b>	<b>4%</b>	<b>7%</b>

(1) Non-GAAP

(2) Totals may not sum due to rounding

## Quarterly sales trend analysis (cont.)

	Organic Sales Change				
	2Q23	3Q23	4Q23	1Q24	2Q24
Materials Group	(12%)	(16%)	(4%)	2%	6%
Solutions Group	(7%)	1%	14%	6%	11%
<b>Total Company</b>	<b>(10%)</b>	<b>(11%)</b>	<b>1%</b>	<b>3%</b>	<b>7%</b>
<b>Total Company Sales Change Ex. Currency</b>	<b>(10%)</b>	<b>(10%)</b>	<b>3%</b>	<b>4%</b>	<b>8%</b>

## Q2 sales and margin comparisons

	Q2 Sales Change		
	Reported	Ex. Currency	Organic
Materials Group	5%	6%	6%
Solutions Group	12%	14%	11%
Total Company	7%	8%	7%

	Reported Operating Margin		Adj. EBITDA Margin (non-GAAP)	
	2Q24	2Q23	2Q24	2Q23
Materials Group	14.4%	13.1%	17.9%	15.7%
Solutions Group	9.3%	(1.2%)	16.8%	15.8%
Total Company	11.7%	7.9%	16.4%	14.7%

## Materials Group

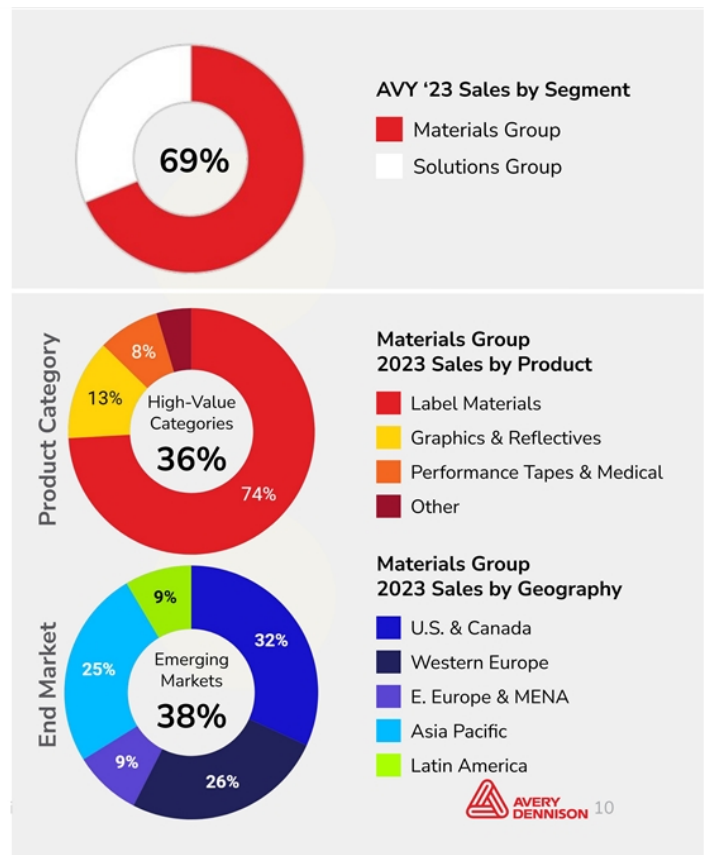
**Reported sales** increased 5% to \$1.5 bil.

Sales up 6% ex. currency and organically

- Label Materials up mid-to-high single-digits on organic basis
  - Volume/mix up low double-digits, partially offset by deflation-related price reductions
- Graphics and Reflectives up low single-digits organically
- Performance Tapes and Medical down low single-digits organically

**Reported operating margin** of 14.4%

- Adj. EBITDA margin of 17.9%, up 220 bps driven by higher volume/mix and benefits from productivity, partially offset by higher employee-related costs



## Solutions Group

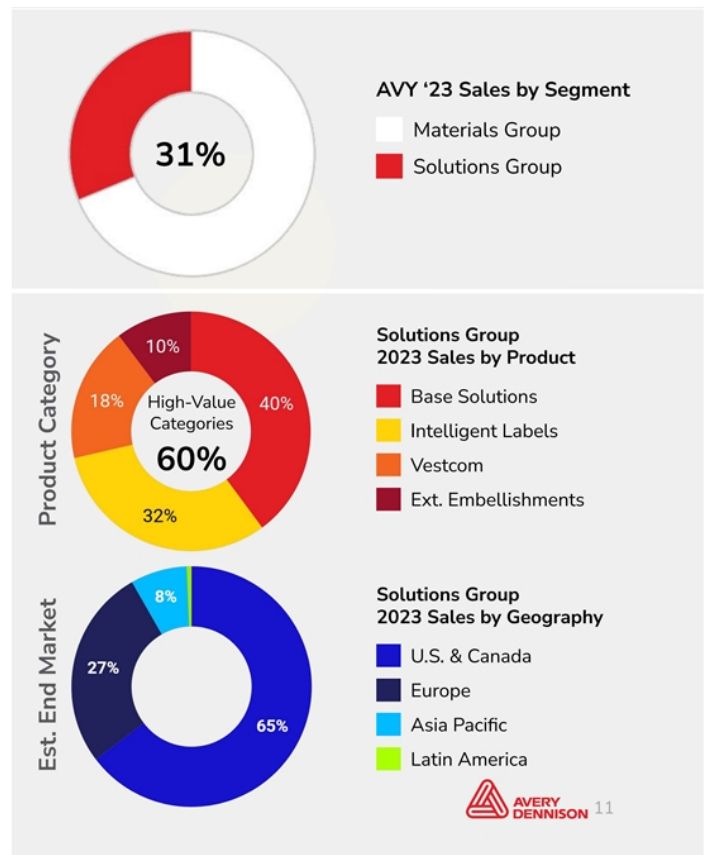
**Reported sales** increased 12% to \$689 mil.

Sales up 14% ex. currency and 11% organically

- Solutions high-value categories up low double-digits ex. currency
- Solutions base categories up mid-to-high teens ex. currency

**Reported operating margin** of 9.3%

- Adj. EBITDA margin of 16.8%, up 100 bps, driven by higher volume and benefits from productivity, partially offset by higher employee-related costs and investments
  - Margin up 70 bps sequentially; expect margin to continue to improve in 2H



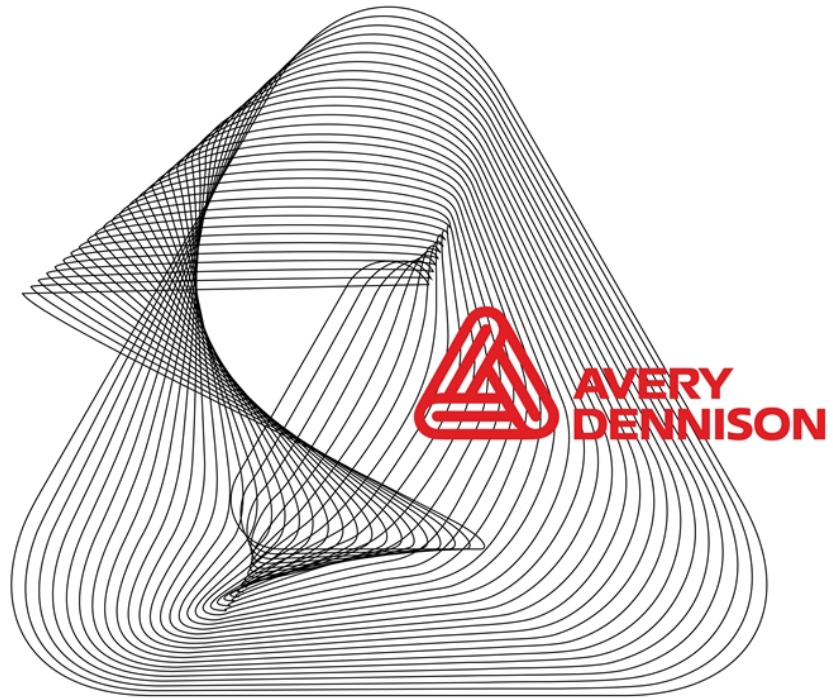


## 2024 EPS Guidance

	<u>Previous</u>	<u>Updated</u>
<b>Reported EPS</b>	<b>\$8.60 - \$9.10</b>	<b>\$8.75 - \$8.95</b>
Add Back:		
<b>Est. restructuring costs and other items, including impact of venture investments</b>	<b>~\$0.40</b>	<b>~\$0.55</b>
<b>Adjusted EPS</b>	<b>\$9.00 - \$9.50</b>	<b>\$9.30 - \$9.50</b>

### Full-year 2024 contributing factors

- Reported sales growth of 4.5% to 5.5% (previously 3.5% to 5.5%), including ~0.5% benefit from acquisitions
- Organic sales growth of 4.0% to 5.0% (previously 3.0% to 5.0%)
  - Strong volume growth, partially offset by deflation-related price reductions
- Incremental savings of \$50+ mil. from restructuring actions, net (previously \$45+ mil.)
- ~\$10 mil. headwind from currency translation to operating income, assuming recent rates (previously ~\$5 mil. headwind)
- Targeting ~100% adj. FCF conversion; fixed and IT capital spend comparable to PY
- Adj. tax rate of ~26%



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