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) April 26, 2022

AVERY DENNISON CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**1-7685**	**95-1492269**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

8080 Norton Parkway Mentor, Ohio	**44060**
(Address of principal executive offices)	(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 April 26, 2022, announcing the Company's preliminary, unaudited financial results for the first quarter of 2022 and updated guidance for the 2022 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 April 26, 2022, regarding the Company's preliminary, unaudited financial review and analysis for the first quarter of 2022, updated guidance for the 2022 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.

The Company will discuss its preliminary, unaudited financial results during a webcast and teleconference to be held on April 26, 2022, at 12:00 p.m. ET. To access the webcast and teleconference, please go to the Company's website at www.investors.averydennison.com.

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1 Press release, dated April 26, 2022, announcing the Company's preliminary, unaudited financial results for the first quarter of 2022.

99.2 Supplemental presentation materials, dated April 26, 2022, regarding the Company's preliminary, unaudited financial review and analysis for the first quarter of 2022.

"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. Forward-looking statements also include those related to the acquisition of CB Velocity Holdings, LLC ("Vestcom"), including its effect on the Company's long-term targets and future financial results.

The Company believes that the most significant risk factors that could affect its financial performance in the near-term include: (i) the impacts to underlying demand for the Company's products and/or foreign currency fluctuations from global economic conditions, political uncertainty, changes in environmental standards and governmental regulations, including as a result of COVID-19; (ii) the availability of raw materials; (iii) competitors' actions, including pricing, expansion in key markets, and product offerings; (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; and (v) the execution and integration of acquisitions, including the acquisition of Vestcom.

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:

- COVID-19
- International Operations – worldwide and local economic and market conditions; changes in political conditions, including those related to the Russian invasion of Ukraine; and fluctuations in foreign currency exchange rates and other risks associated with foreign 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, environmental standards, laws and regulations, and customer preferences; the impact of competitive products and pricing; execution and integration of acquisitions, including the acquisition of Vestcom; selling prices; customer and supplier concentrations or consolidations; financial condition of distributors; outsourced manufacturers; product and service quality; timely development and market acceptance of new products, including sustainable or sustainably-sourced products; investment in development activities and new production facilities; successful implementation of new manufacturing technologies and installation of manufacturing equipment; the Company's ability to generate sustained productivity improvement; the Company's ability to achieve and sustain targeted cost reductions; and collection of receivables from customers
- Income Taxes – fluctuations in tax rates; changes in tax laws and regulations, and uncertainties associated with interpretations of such laws and regulations; retention of tax incentives; outcome of tax audits; and the realization of deferred tax assets
- Information Technology – disruptions in information technology systems or data security breaches, including cyber-attacks or other intrusions to network security; and successful installation of new or upgraded information technology systems
- Human Capital – recruitment and retention of employees and collective labor arrangements
- 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 of 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 and impact of legal and regulatory proceedings, including with respect to environmental, anti-corruption, health and safety, and trade compliance
- Other Financial Matters – fluctuations in pension costs and goodwill impairment

For a more detailed discussion of these factors, see 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 2021 Form 10-K, filed with the Securities and Exchange Commission on February 23, 2022. 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

Exhibit No.	Description
99.1	Press release, dated April 26, 2022, announcing the Company’s preliminary, unaudited financial results for the first quarter of 2022.
99.2	Supplemental presentation materials, dated April 26, 2022, regarding the Company’s preliminary, unaudited financial review and analysis for the first quarter of 2022.
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: April 26, 2022	By:	/s/ Gregory S. Lovins
	Name:	Gregory S. Lovins
	Title:	Senior Vice President and Chief Financial Officer

Exhibit 99.1

For Immediate Release

AVERY DENNISON ANNOUNCES FIRST QUARTER 2022 RESULTS

Highlights:

- 1Q22 Reported EPS of $2.39
  - Adjusted EPS (non-GAAP) of $2.40
- 1Q22 Net sales increased 14.5% to $2.3 billion
  - Sales growth ex. currency (non-GAAP) of 18.0%
  - Organic sales growth (non-GAAP) of 12.7%
- Raised FY 2022 EPS guidance
  - Reported EPS of $9.35 to $9.75 (previously $9.25 to $9.65)
  - Adjusted EPS of $9.45 to $9.85 (previously $9.35 to $9.75)

MENTOR, Ohio, April 26, 2022 – Avery Dennison Corporation (NYSE:AVY) today announced preliminary, unaudited results for its first quarter ended April 2, 2022. Non-GAAP financial measures referenced in this document are reconciled to GAAP in the attached financial schedules. Unless otherwise indicated, comparisons are to the same period in the prior year.

“We once again delivered strong financial results amidst a challenging environment, with earnings ahead of expectations,” said Mitch Butier, Avery Dennison chairman and CEO.

“Our strong performance comes at a difficult time as COVID-19 continues, supply chains remain tight and inflationary pressures persist. Despite these challenges, we have raised our outlook and we continue to expect strong top- and bottom-line growth for the year,” said Butier. “We remain confident that the consistent execution of our strategies will enable us to meet our long-term goals for superior value creation through a balance of profitable growth and capital discipline.

“Once again, I want to thank our entire team for their tireless efforts to keep one another safe while continuing to deliver for our customers during this challenging period. The team continues to raise their game each quarter, to address the unique challenges at hand.”

First Quarter 2022 Results by Segment

Label and Graphic Materials

- Reported sales increased 8% to $1.5 billion. Sales were up 12% ex. currency and 12% on an organic basis.
  - Label and Packaging Materials sales were up low-double digits on an organic basis, with strong growth in both high value product categories and the base business.
  - Sales increased by high-single digits organically in the combined Graphics and Reflective Solutions businesses.
  - On an organic basis, sales were up high teens in North America and Western Europe and low-to-mid single digits in emerging markets.
- Reported operating margin decreased 240 basis points to 14.0%. Adjusted EBITDA margin (non-GAAP) decreased 280 basis points to 15.6%, largely driven by the net impact of pricing, freight, and raw material costs. Adjusted EBITDA margin increased 110 basis points sequentially.
  - The higher revenue base from price increases alone, with no corresponding incremental EBITDA as they offset inflation, reduced margin by ~210 basis points.
- Inflation remains persistent in our materials businesses; we are anticipating roughly 20% inflation in 2022 compared to prior year.

Retail Branding and Information Solutions

- Reported sales increased 41% to $679 million. Sales were up 43% ex. currency and 20% on an organic basis, reflecting strong growth in both the high value product categories and the base business.
  - Intelligent Labels was up over 20% organically.
- Reported operating margin increased 90 basis points to 13.3%. Adjusted EBITDA margin increased 240 basis points to 19.1%, as the benefits from higher organic volume and acquisitions were partially offset by growth investments and higher employee-related costs.
- The Vestcom business is achieving our acquisition objectives.

Industrial and Healthcare Materials

- Reported sales decreased 1% to $190 million. Sales were up 1% ex. currency and 1% on an organic basis, reflecting a low-single digit decrease in industrial categories and a low-double digits increase in healthcare categories.

- Reported operating margin decreased 410 basis points to 8.2%. Adjusted EBITDA margin decreased 410 basis points to 11.8% driven by lower volume/mix and the net impact of pricing, freight, and raw material costs.
    - The higher revenue base from price increases alone, with no corresponding incremental EBITDA as they offset inflation, reduced margin by ~120 basis points.

<u>Other</u>

Balance Sheet and Capital Deployment

During the first quarter of the year, the company deployed $33 million for acquisitions and returned $208 million in cash to shareholders through a combination of share repurchases and dividends, up from $107 million compared to last year. The company repurchased 0.8 million shares at an aggregate cost of $152 million. Net of dilution from long-term incentive awards, the company's share count at the end of the quarter was down 1.2 million compared to the same time last year.

The company's balance sheet remains strong, with ample capacity to continue executing our long-term capital allocation strategy. Net debt to adjusted EBITDA (non-GAAP) was 2.35 at the end of the first quarter.

Income Taxes

The company's reported first quarter effective tax rate was 26.5%. The adjusted tax rate (non-GAAP) for the quarter was 25.6%, which is also the company's current expectation for its full-year adjusted tax rate.

Cost Reduction Actions

In the first quarter, the company realized approximately $9 million in pre-tax savings from restructuring, net of transition costs, and incurred pre-tax restructuring charges of approximately $1 million.

<u>Guidance</u>

In its supplemental presentation materials, "First Quarter 2022 Financial Review and Analysis," the company provides a list of factors that it believes will contribute to its 2022 financial results. Based on the factors listed and other assumptions, the company has raised its guidance range for 2022 reported earnings per share from $9.25 to $9.65 to $9.35 to $9.75.

Excluding an estimated $0.10 per share related to restructuring charges and other items, the company's guidance range for adjusted earnings per share has been raised from $9.35 to $9.75 to $9.45 to $9.85.

For more details on the company's results, see the summary tables accompanying this news release, as well as the supplemental presentation materials, "First Quarter 2022 Financial Review and Analysis," posted on the company's website at 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 company specializing in the design and manufacture of a wide variety of labeling and functional materials. The company's products, which are used in nearly every major industry, include pressure-sensitive materials for labels and graphic applications; tapes and other bonding solutions for industrial, medical, and retail applications; tags, labels and embellishments for apparel; and radio frequency identification (RFID) solutions serving retail apparel and other markets. The company employs approximately 36,000 employees in more than 50 countries. Reported sales in 2021 were $8.4 billion. Learn more at 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

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

	1Q 2022	1Q 2021	% Sales Change vs. P/Y Reported	Ex. Currency (a)	Organic (b)
Net sales, by segment:					
Label and Graphic Materials	**$1,480.2**	**$1,377.0**	**7.5%**	11.5%	11.8%
Retail Branding and Information Solutions	**679.0**	**482.7**	**40.7%**	42.8%	20.0%
Industrial and Healthcare Materials	**190.1**	**191.6**	**(0.8%)**	1.2%	0.5%
Total net sales	**$2,349.3**	**$2,051.3**	**14.5%**	18.0%	12.7%

	As Reported (GAAP) 1Q 2022	1Q 2021	% Change	% of Sales 2022	% of Sales 2021	Adjusted Non-GAAP (c) 1Q 2022	1Q 2021	% Change	% of Sales 2022	% of Sales 2021
Operating income (loss) / operating margins before interest, other non-operating expense (income), and taxes, by segment:										
Label and Graphic Materials	**$207.2**	**$226.2**		**14.0%**	**16.4%**	$204.0	$224.3		13.8%	16.3%
Retail Branding and Information Solutions	**90.3**	**60.0**		**13.3%**	**12.4%**	91.9	62.1		13.5%	12.9%
Industrial and Healthcare Materials	**15.6**	**23.5**		**8.2%**	**12.3%**	15.6	23.6		8.2%	12.3%
Corporate expense (d)	**(25.2)**	**(25.9)**				(25.2)	(25.3)			
Total operating income / operating margins before interest, other non-operating expense (income), and taxes	**$287.9**	**$283.8**	**1%**	**12.3%**	**13.8%**	$286.3	$284.7	1%	12.2%	13.9%
Interest expense	**$19.6**	**$16.2**				$19.6	$16.2			
Other non-operating expense (income), net (e)	**($1.4)**	**($1.3)**				($1.4)	($1.7)			
Income before taxes	**$269.7**	**$268.9**	**—**	**11.5%**	**13.1%**	$268.1	$270.2	(1%)	11.4%	13.2%
Provision for (benefit from) income taxes	**$71.5**	**$58.1**				$68.6	$67.6			
Equity method investment (losses) gains	**—**	**($1.3)**				—	($1.3)			
Net income	**$198.2**	**$209.5**	**(5%)**	**8.4%**	**10.2%**	$199.5	$201.3	(1%)	8.5%	9.8%
Net income per common share, assuming dilution	**$2.39**	**$2.50**	**(4%)**			$2.40	$2.40	—		
Free Cash Flow (f)						$73.3	$182.0			

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

(a) *Sales change ex. currency* refers to the increase or decrease in net sales, excluding the estimated impact of foreign currency translation and the reclassification of sales between segments, and, where applicable, an extra week in our fiscal year and the calendar shift resulting from the extra week in the prior fiscal year and currency adjustment for transitional reporting of highly inflationary economies. The estimated impact of foreign currency translation is calculated on a constant currency basis, with prior period results translated at current period average exchange rates to exclude the effect of currency fluctuations.

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

(c) Excludes impact of restructuring charges and other items.

(d) As reported "Corporate expense" for the first quarter of 2021 includes severance and related costs of $.6.

(e) As reported "Other non-operating expense (income), net" for the first quarter of 2021 includes pension plan settlement loss of $.4.

(f) *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, where applicable, certain acquisition-related transaction costs.

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

	(UNAUDITED) Three Months Ended	
	Apr. 2, 2022	Apr. 3, 2021
Net sales	$ 2,349.3	$ 2,051.3
Cost of products sold	1,708.0	1,454.3
Gross profit	641.3	597.0
Marketing, general and administrative expense	355.0	312.3
Other expense (income), net(1)	(1.6)	0.9
Interest expense	19.6	16.2
Other non-operating expense (income), net(2)	(1.4)	(1.3)
Income before taxes	269.7	268.9
Provision for (benefit from) income taxes	71.5	58.1
Equity method investment (losses) gains	---	(1.3)
Net income	$ 198.2	$ 209.5
Per share amounts:		
Net income per common share, assuming dilution	$ 2.39	$ 2.50
Weighted average number of common shares outstanding, assuming dilution	83.0	83.9

(1) "Other expense (income), net" for the first quarter of 2022 includes gain on venture investment of $3.7, partially offset by outcome of legal proceedings of $1, severance and related costs of $.9, and transaction and related costs of $.2.

"Other expense (income), net" for the first quarter of 2021 includes severance and related costs of $2.4, asset impairment and lease cancellation charges of $.5, outcome of legal proceedings of $2.1, and transaction and related costs of $.7, partially offset by gain on sale of product line of $4.8.

(2) "Other non-operating expense (income), net" for the first quarter of 2021 includes pension plan settlement loss of $.4.

-more-

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

	(UNAUDITED)	
ASSETS	**Apr. 2, 2022**	**Apr. 3, 2021**
Current assets:		
Cash and cash equivalents	$ 147.1	$ 328.0
Trade accounts receivable, net	1,551.4	1,301.4
Inventories	960.9	786.7
Other current assets	234.9	216.3
Total current assets	2,894.3	2,632.4
Property, plant and equipment, net	1,477.5	1,329.0
Goodwill and other intangibles resulting from business acquisitions, net	2,800.8	1,363.5
Deferred tax assets	128.8	201.4
Other assets	837.4	746.9
	$ 8,138.8	$ 6,273.2

LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings and current portion of long-term debt and finance leases	$ 494.9	$ 116.9
Accounts payable	1,372.5	1,178.0
Other current liabilities	855.8	763.6
Total current liabilities	2,723.2	2,058.5
Long-term debt and finance leases	2,773.8	2,025.9
Other long-term liabilities	709.3	606.9
Shareholders' equity:		
Common stock	124.1	124.1
Capital in excess of par value	844.6	845.8
Retained earnings	4,023.2	3,504.4
Treasury stock at cost	(2,799.4)	(2,546.3)
Accumulated other comprehensive loss	(260.0)	(346.1)
Total shareholders' equity	1,932.5	1,581.9
	$ 8,138.8	$ 6,273.2

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

	(UNAUDITED) Three Months Ended	
	Apr. 2, 2022	Apr. 3, 2021
Operating Activities:		
Net income	$ 198.2	$ 209.5
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	43.8	40.0
Amortization	28.2	14.4
Provision for credit losses and sales returns	16.1	8.9
Stock-based compensation	11.1	9.9
Pension plan settlement loss	---	0.4
Deferred taxes and other non-cash taxes	1.9	1.5
Other non-cash expense and loss (income and gain), net	6.5	2.7
Changes in assets and liabilities and other adjustments	(179.6)	(78.0)
Net cash provided by operating activities	126.2	209.3
Investing Activities:		
Purchases of property, plant and equipment	(49.7)	(25.2)
Purchases of software and other deferred charges	(5.6)	(2.3)
Proceeds from sales of property, plant and equipment	0.3	0.7
Proceeds from insurance and sales (purchases) of investments, net	1.8	(0.5)
Proceeds from sale of product line	---	6.7
Payments for acquisitions, net of cash acquired, and investments in businesses	(33.4)	(30.6)
Net cash used in investing activities	(86.6)	(51.2)
Financing Activities:		
Net increase (decrease) in borrowings with maturities of three months or less	179.4	53.8
Repayments of long-term debt and finance leases	(1.9)	(1.5)
Dividends paid	(56.2)	(51.6)
Share repurchases	(151.5)	(55.6)
Net (tax withholding) proceeds related to stock-based compensation	(24.9)	(25.3)
Net cash used in financing activities	(55.1)	(80.2)
Effect of foreign currency translation on cash balances	(0.1)	(2.2)
Increase (decrease) in cash and cash equivalents	(15.6)	75.7
Cash and cash equivalents, beginning of year	162.7	252.3
Cash and cash equivalents, end of period	$ 147.1	$ 328.0

Reconciliation of Non-GAAP Financial Measures to 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 that are prepared in accordance with GAAP. Based on feedback from investors and financial analysts, we believe that the supplemental non-GAAP financial measures we provide are useful to their assessments of our performance and operating trends, as well as liquidity.

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

We use these non-GAAP financial measures internally to evaluate trends in our underlying performance, as well as to facilitate comparison to the results of competitors for quarters and year-to-date periods, as applicable.

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

Sales change ex. currency refers to the increase or decrease in net sales, excluding the estimated impact of foreign currency translation and the reclassification of sales between segments, and, where applicable, an extra week in our fiscal year and the calendar shift resulting from the extra week in the prior fiscal year and currency adjustment for transitional reporting of highly inflationary economies. The estimated impact of foreign currency translation is calculated on a constant currency basis, with prior period results translated at current period average exchange rates to exclude the effect of 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 income before taxes; interest expense; other non-operating expense (income), net; and other expense (income), net.

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 the enactment of the U.S. Tax Cuts and Jobs Act (“TCJA”), where applicable, 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.

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, where applicable, certain acquisition-related transaction costs. 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.

Reconciliations are provided in accordance with Regulations G and S-K and reconcile our non-GAAP financial measures with the most directly comparable GAAP financial measures.

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

	(UNAUDITED) Three Months Ended	
	Apr. 2, 2022	**Apr. 3, 2021**
Reconciliation from GAAP to Non-GAAP operating margins:		
Net sales	$ 2,349.3	$ 2,051.3
Income before taxes	$ 269.7	$ 268.9
Income before taxes as a percentage of net sales	11.5%	13.1%
Adjustments:		
Interest expense	$ 19.6	$ 16.2
Other non-operating expense (income), net	(1.4)	(1.3)
Operating income before interest expense, other non-operating expense (income), and taxes	$ 287.9	$ 283.8
Operating margins	12.3%	13.8%
Income before taxes	$ 269.7	$ 268.9
Adjustments:		
Restructuring charges:		
Severance and related costs	0.9	2.4
Asset impairment and lease cancellation charges	---	0.5
Outcomes of legal proceedings	1.0	2.1
Transaction and related costs	0.2	0.7
Gain on venture investment	(3.7)	---
Gain on sale of product line	---	(4.8)
Interest expense	19.6	16.2
Other non-operating expense (income), net	(1.4)	(1.3)
Adjusted operating income (non-GAAP)	$ 286.3	$ 284.7
Adjusted operating margins (non-GAAP)	12.2%	13.9%
Reconciliation from GAAP to Non-GAAP net income:		
As reported net income	$ 198.2	$ 209.5
Adjustments:		
Restructuring charges and other items(1)	(1.6)	0.9
Pension plan settlement loss	---	0.4
Tax effect on restructuring charges and other items and impact of adjusted tax rate	2.9	(9.5)
Adjusted net income (non-GAAP)	$ 199.5	$ 201.3

(1) Includes pretax restructuring charges, outcomes of legal proceedings, transaction and related costs, gain on venture investment, and gain on sale of product line.

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

	(UNAUDITED) Three Months Ended	
	Apr. 2, 2022	**Apr. 3, 2021**
Reconciliation from GAAP to Non-GAAP net income per common share:		
As reported net income per common share, assuming dilution	$ 2.39	$ 2.50
Adjustments per common share, net of tax:		
Restructuring charges and other items[1]	(0.02)	0.01
Tax effect on restructuring charges and other items and impact of adjusted tax rate	0.03	(0.11)
Adjusted net income per common share, assuming dilution (non-GAAP)	$ 2.40	$ 2.40
Weighted average number of common shares outstanding, assuming dilution	83.0	83.9

Our adjusted tax rate was 25.6% and 25% for the three months ended April 2, 2022 and April 3, 2021, respectively.

(1) Includes pretax restructuring charges, outcomes of legal proceedings, transaction and related costs, gain on venture investment, and gain on sale of product line.

	(UNAUDITED) Three Months Ended	
	Apr. 2, 2022	**Apr. 3, 2021**
Reconciliation of free cash flow:		
Net cash provided by operating activities	$ 126.2	$ 209.3
Purchases of property, plant and equipment	(49.7)	(25.2)
Purchases of software and other deferred charges	(5.6)	(2.3)
Proceeds from sales of property, plant and equipment	0.3	0.7
Proceeds from insurance and sales (purchases) of investments, net	1.8	(0.5)
Payments for certain acquisition-related transaction costs	0.3	---
Free cash flow (non-GAAP)	$ 73.3	$ 182.0

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

	First Quarter Ended					
	NET SALES		OPERATING INCOME (LOSS)		OPERATING MARGINS	
	2022	2021	2022	2021	2022	2021
Label and Graphic Materials	$1,480.2	$1,377.0	$ 207.2	$ 226.2	14.0%	16.4%
Retail Branding and Information Solutions	679.0	482.7	90.3	60.0	13.3%	12.4%
Industrial and Healthcare Materials	190.1	191.6	15.6	23.5	8.2%	12.3%
Corporate Expense	N/A	N/A	(25.2)	(25.9)	N/A	N/A
TOTAL FROM OPERATIONS	$2,349.3	$2,051.3	$ 287.9	$ 283.8	12.3%	13.8%

RECONCILIATION FROM GAAP TO NON-GAAP SUPPLEMENTARY INFORMATION

	First Quarter Ended			
	2022	2021	2022	2021
Label and Graphic Materials				
Operating income and margins, as reported	$ 207.2	$ 226.2	14.0%	16.4%
Adjustments:				
Restructuring charges:				
Severance and related costs	0.5	0.6	---	---
Asset impairment charges	---	0.1	---	---
Outcome of legal proceedings	---	2.1	---	0.2%
Transaction and related costs	---	0.1	---	---
Gain on venture investment	(3.7)	---	(0.2%)	---
Gain on sale of product line	---	(4.8)	---	(0.3%)
Adjusted operating income and margins (non-GAAP)	$ 204.0	$ 224.3	13.8%	16.3%
Depreciation and amortization	27.6	29.0	1.8%	2.1%
Adjusted EBITDA and margins (non-GAAP)	$ 231.6	$ 253.3	15.6%	18.4%
Retail Branding and Information Solutions				
Operating income and margins, as reported	$ 90.3	$ 60.0	13.3%	12.4%
Adjustments:				
Restructuring charges:				
Severance and related costs	0.4	1.2	0.1%	0.3%
Asset impairment and lease cancellation charges	---	0.4	---	0.1%
Outcome of legal proceedings	1.0	---	0.1%	---
Transaction and related costs	0.2	0.2	---	---
Loss on sale of asset	---	0.3	---	0.1%
Adjusted operating income and margins (non-GAAP)	$ 91.9	$ 62.1	13.5%	12.9%
Depreciation and amortization	37.5	18.6	5.6%	3.8%
Adjusted EBITDA and margins (non-GAAP)	$ 129.4	$ 80.7	19.1%	16.7%
Industrial and Healthcare Materials				
Operating income and margins, as reported	$ 15.6	$ 23.5	8.2%	12.3%
Adjustments:				
Transaction and related costs	---	0.4	---	0.2%
Gain on sale of assets	---	(0.3)	---	(0.2%)
Adjusted operating income and margins (non-GAAP)	$ 15.6	$ 23.6	8.2%	12.3%
Depreciation and amortization	6.9	6.8	3.6%	3.6%
Adjusted EBITDA and margins (non-GAAP)	$ 22.5	$ 30.4	11.8%	15.9%

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AVERY DENNISON CORPORATION
PRELIMINARY SUPPLEMENTARY INFORMATION
Reconciliation of Adjusted EBITDA Margins
(In millions, except %)
(UNAUDITED)

	QTD			
Label and Graphic Materials	**1Q22**	**1Q21**	**1Q20**	**4Q21**
Net sales	$ 1,480.2	$ 1,377.0	$ 1,173.5	$ 1,331.4
Operating income before interest expense, other non-operating expense (income) and taxes, as reported	$ 207.2	$ 226.2	$ 172.5	$ 162.5
Operating margins, as reported	14.0%	16.4%	14.7%	12.2%
Non-GAAP adjustments:				
Restructuring charges:				
Severance and related costs	$ 0.5	$ 0.6	$ 0.4	$ 1.1
Asset impairment and lease cancellation charges	---	0.1	---	0.9
Other items	(3.7)	(2.6)	0.7	0.1
Adjusted operating income (non-GAAP)	$ 204.0	$ 224.3	$ 173.6	$ 164.6
Adjusted operating margins (non-GAAP)	13.8%	16.3%	14.8%	12.4%
Depreciation and amortization	$ 27.6	$ 29.0	$ 26.1	$ 27.8
Adjusted EBITDA (non-GAAP)	$ 231.6	$ 253.3	$ 199.7	$ 192.4
Adjusted EBITDA margins (non-GAAP)	15.6%	18.4%	17.0%	14.5%

Retail Branding and Information Solutions	**1Q22**	**1Q21**	**1Q20**	**4Q21**
Net sales	$ 679.0	$ 482.7	$ 401.9	$ 659.1
Operating income before interest expense, other non-operating expense (income) and taxes, as reported	$ 90.3	$ 60.0	$ 30.9	$ 96.6
Operating margins, as reported	13.3%	12.4%	7.7%	14.7%
Non-GAAP adjustments:				
Restructuring charges:				
Severance and related costs	$ 0.4	$ 1.2	$ 1.5	$ 3.5
Asset impairment and lease cancellation charges	---	0.4	---	0.3
Other items	1.2	0.5	1.8	(11.4)
Adjusted operating income (non-GAAP)	$ 91.9	$ 62.1	$ 34.2	$ 89.0
Adjusted operating margins (non-GAAP)	13.5%	12.9%	8.5%	13.5%
Depreciation and amortization	$ 37.5	$ 18.6	$ 14.9	$ 37.9
Adjusted EBITDA (non-GAAP)	$ 129.4	$ 80.7	$ 49.1	$ 126.9
Adjusted EBITDA margins (non-GAAP)	19.1%	16.7%	12.2%	19.3%

Industrial and Healthcare Materials	**1Q22**	**1Q21**	**1Q20**	**4Q21**
Net sales	$ 190.1	$ 191.6	$ 147.6	$ 192.7
Operating income before interest expense, other non-operating expense (income) and taxes, as reported	$ 15.6	$ 23.5	$ 14.9	$ 16.9
Operating margins, as reported	8.2%	12.3%	10.1%	8.8%
Non-GAAP adjustments:				
Restructuring charges:				
Severance and related costs	$ ---	$ ---	$ 0.5	$ 0.8
Asset impairment charges	---	---	---	---
Other items	---	0.1	---	0.3
Adjusted operating income (non-GAAP)	$ 15.6	$ 23.6	$ 15.4	$ 18.0
Adjusted operating margins (non-GAAP)	8.2%	12.3%	10.4%	9.3%
Depreciation and amortization	$ 6.9	$ 6.8	$ 6.5	$ 6.9
Adjusted EBITDA (non-GAAP)	$ 22.5	$ 30.4	$ 21.9	$ 24.9
Adjusted EBITDA margins (non-GAAP)	11.8%	15.9%	14.8%	12.9%

Corporate expense	**1Q22**	**1Q21**	**1Q20**	**4Q21**
Corporate expense, as reported	$ (25.2)	$ (25.9)	$ (19.1)	$ (12.5)
Non-GAAP adjustments:				
Restructuring charges:				
Severance and related costs	$ ---	$ 0.6	$ ---	$ ---
Other items	---	---	---	(6.3)
Corporate expense (non-GAAP)	$ (25.2)	$ (25.3)	$ (19.1)	$ (18.8)

Total Company	**1Q22**	**1Q21**	**1Q20**	**4Q21**
Net sales	$ 2,349.3	$ 2,051.3	$ 1,723.0	$ 2,183.2
Operating income before interest expense, other non-operating expense (income) and taxes, as reported	$ 287.9	$ 283.8	$ 199.2	$ 263.5
Operating margins, as reported	12.3%	13.8%	11.6%	12.1%
Non-GAAP adjustments:				
Restructuring charges:				
Severance and related costs	$ 0.9	$ 2.4	$ 2.4	$ 5.4
Asset impairment and lease cancellation charges	---	0.5	---	1.2
Other items	(2.5)	(2.0)	2.5	(17.3)
Adjusted operating income (non-GAAP)	$ 286.3	$ 284.7	$ 204.1	$ 252.8
Adjusted operating margins (non-GAAP)	12.2%	13.9%	11.8%	11.6%
Depreciation and amortization	$ 72.0	$ 54.4	$ 47.5	$ 72.6
Adjusted EBITDA (non-GAAP)	$ 358.3	$ 339.1	$ 251.6	$ 325.4
Adjusted EBITDA margins (non-GAAP)	15.3%	16.5%	14.6%	14.9%

AVERY DENNISON CORPORATION
PRELIMINARY SUPPLEMENTARY INFORMATION
Reconciliation of Adjusted EBITDA Margins and Net Debt to Adjusted EBITDA
(In millions, except %)
(UNAUDITED)

	QTD			
Total Company	**2Q21**	**3Q21**	**4Q21**	**1Q22**
Net sales	$ 2,102.0	$ 2,071.8	$ 2,183.2	$ 2,349.3
Operating income before interest expense, other non-operating expense (income) and taxes, as reported	$ 269.9	$ 241.5	$ 263.5	$ 287.9
Operating margins, as reported	12.8%	11.7%	12.1%	12.3%
Non-GAAP adjustments:				
Restructuring charges:				
Severance and related costs	$ 1.6	$ 1.1	$ 5.4	$ 0.9
Asset impairment and lease cancellation charges	0.1	1.3	1.2	---
Other items	(2.3)	13.6	(17.3)	(2.5)
Adjusted operating income (non-GAAP)	$ 269.3	$ 257.5	$ 252.8	$ 286.3
Adjusted operating margins (non-GAAP)	12.8%	12.4%	11.6%	12.2%
Depreciation and amortization	$ 55.2	$ 61.9	$ 72.6	$ 72.0
Adjusted EBITDA (non-GAAP)	$ 324.5	$ 319.4	$ 325.4	$ 358.3
Adjusted EBITDA margins (non-GAAP)	15.4%	15.4%	14.9%	15.3%

Total Debt	$ 3,268.7
Less: Cash and cash equivalents	147.1
Net Debt	$ 3,121.6
Net Debt to Adjusted EBITDA LTM* (non-GAAP)	2.35

*LTM = Last twelve months (2Q21 to 1Q22)

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AVERY DENNISON CORPORATION
PRELIMINARY SUPPLEMENTARY INFORMATION
(UNAUDITED)

	First Quarter 2022			
	Total Company	Label and Graphic Materials	Retail Branding and Information Solutions	Industrial and Healthcare Materials
Reconciliation from GAAP to Non-GAAP sales change				
Reported net sales change	14.5%	7.5%	40.7%	(0.8%)
Reclassification of sales between segments	---	0.1%	(0.3%)	---
Foreign currency translation	3.4%	3.9%	2.5%	2.0%
Sales change ex. currency (non-GAAP)(1)	18.0%	11.5%	42.8%	1.2%
Acquisitions	(5.3%)	0.3%	(22.8%)	(0.7%)
Organic sales change (non-GAAP)(1)	12.7%	11.8%	20.0%	0.5%

(1) Totals may not sum due to rounding.

Exhibit 99.2

First Quarter 2022
Financial Review and Analysis
(preliminary, unaudited)

April 26, 2022

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. Forward-looking statements also include those related to the acquisition of CB Velocity Holdings, LLC ("Vestcom"), including its effect on our long-term targets and future financial results. We believe that the most significant risk factors that could affect our financial performance in the near-term include: (i) the impacts to underlying demand for our products and/or foreign currency fluctuations from global economic conditions, political uncertainty, changes in environmental standards and governmental regulations, including as a result of COVID-19; (ii) the availability of raw materials; (iii) competitors' actions, including pricing, expansion in key markets, and product offerings; (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; and (v) the execution and integration of acquisitions, including our acquisition of Vestcom.

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:

- COVID-19
- International Operations – worldwide and local economic and market conditions; changes in political conditions, including those related to the Russian invasion of Ukraine; and fluctuations in foreign currency exchange rates and other risks associated with foreign operations, including in emerging markets
- Our Business – fluctuations in demand affecting sales to customers; fluctuations in the cost and availability of raw materials and energy; changes in our markets due to competitive conditions, technological developments, environmental standards, laws and regulations, and customer preferences; the impact of competitive products and pricing; execution and integration of acquisitions, including our acquisition of Vestcom; selling prices; customer and supplier concentrations or consolidations; financial condition of distributors; outsourced manufacturers; product and service quality; timely development and market acceptance of new products, including sustainable or sustainably-sourced products; investment in development activities and new production facilities; successful implementation of new manufacturing technologies and installation of manufacturing equipment; our ability to generate sustained productivity improvement; our ability to achieve and sustain targeted cost reductions; and collection of receivables from customers
- Income Taxes – fluctuations in tax rates; changes in tax laws and regulations, and uncertainties associated with interpretations of such laws and regulations; retention of tax incentives; outcome of tax audits; and the realization of deferred tax assets
- Information Technology – disruptions in information technology systems or data security breaches, including cyber-attacks or other intrusions to network security; and successful installation of new or upgraded information technology systems
- Human Capital – recruitment and retention of employees; and collective labor arrangements
- Our Indebtedness – credit risks; our ability to obtain adequate financing arrangements and maintain access to capital; fluctuations in interest rates; volatility of financial markets; and compliance with our debt covenants
- Ownership of Our Stock – potential significant variability of our stock price and amounts of future dividends and share repurchases
- Legal and Regulatory Matters – protection and infringement of intellectual property; impact of legal and regulatory proceedings, including with respect to environmental, anti-corruption, health and safety, and trade compliance
- Other Financial Matters – fluctuations in pension costs and goodwill impairment

For a more detailed discussion of these factors, see "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2021 Form 10-K, filed with the Securities and Exchange Commission on February 23, 2022.

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 that are prepared in accordance with GAAP. Based on feedback from investors and financial analysts, we believe that the supplemental non-GAAP financial measures we provide are 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 to 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 financial schedules accompanying the earnings news release for the quarter (see Attachments A-4 through A-9 to news release dated April 26, 2022).

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, positive or negative, of certain items (e.g., restructuring charges, outcomes of certain legal proceedings, certain effects of strategic transactions and related costs, losses from debt extinguishments, gains or losses from curtailment or settlement of pension obligations, gains or losses on sales of certain assets, gains or losses on venture investments and other items), we believe that we are providing meaningful supplemental information that facilitates an understanding of our core operating results and liquidity measures. While some of the items we exclude from GAAP financial measures recur, they tend to be disparate in amount, frequency, or timing.

We use these non-GAAP financial measures internally to evaluate trends in our underlying performance, as well as to facilitate comparison to the results of competitors for quarters and year-to-date periods, as applicable. We use the non-GAAP financial measures described below in this presentation and 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 the reclassification of sales between segments, and, where applicable, an extra week in our fiscal year and the calendar shift resulting from the extra week in the prior fiscal year and currency adjustment for transitional reporting of highly inflationary economies. The estimated impact of foreign currency translation is calculated on a constant currency basis, with prior period results translated at current period average exchange rates to exclude the effect of 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 income before taxes; interest expense; other non-operating expense (income), net; and other expense (income), net.
- **Adjusted EBITDA** refers to adjusted operating income before depreciation and amortization.
- **Adjusted EBITDA ex. currency** refers to the change in adjusted EBITDA on a constant currency basis. The estimated impact of foreign currency translation is calculated on a constant currency basis, with prior period results translated at current period average exchange rates to exclude the effect of currency fluctuations.
- **Adjusted 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 the enactment of the U.S. Tax Cuts and Jobs Act (TCJA), where applicable, and other items.
- **Adjusted net income** refers to income before taxes, tax-effected at the adjusted tax rate, and adjusted for tax-effected restructuring charges and other items.
- **Adjusted net income per common share, assuming dilution (adjusted EPS)** refers to adjusted net income divided by the weighted average number of common shares outstanding, assuming dilution.
- **Adjusted net income per common share, assuming dilution, ex. currency** refers to the change in adjusted net income per common share, assuming dilution, on a constant currency basis. The estimated impact of foreign currency translation is calculated on a constant currency basis, with prior period results translated at current period average exchange rates to exclude the effect of currency fluctuations.

- **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.
- **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, where applicable, certain acquisition-related transaction costs. 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.

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.

Continuing to deliver strong results

Q1 revenue up 18% on a constant currency basis and 13% organically

- LGM revenue up significantly, driven by pricing
  - Volume/mix strong, though modestly down as expected
- RBIS revenue up significantly, with strong growth in all divisions

Intelligent Labels continues strong growth trend; momentum continues to build

Operating income better than expected, up both year-over-year and sequentially

- RBIS delivered significant margin expansion, as expected
- LGM margins better than expected, up sequentially and down from prior year

Successfully navigating dynamic macroeconomic environment

- Leveraging innovation capabilities and scale to mitigate supply constraints
- LGM accelerating pricing actions, reducing lead times between inflation and pricing
- Managing COVID-related disruptions, incl. recent restrictions in materials businesses in greater Shanghai area
- Ceased shipment of all products for Russian market (~1% of total company revenue in 2021)

Continue to target strong revenue and earnings growth in 2022

- Raised FY EPS guidance by 10 cents; up 10%+ at midpoint, excluding currency

First Quarter 2022 Results

Reported sales of $2.35 billion, up 14.5%

- Sales change ex. currency (non-GAAP) of 18.0%
- Organic sales change (non-GAAP) of 12.7%

Reported operating income of $288 mil.

- Adjusted EBITDA of $358 mil., up ~10% excluding currency
- Adj. EBITDA margin (non-GAAP) of 15.3%, down 120 bps
    - Up 40 bps sequentially

Reported EPS of $2.39

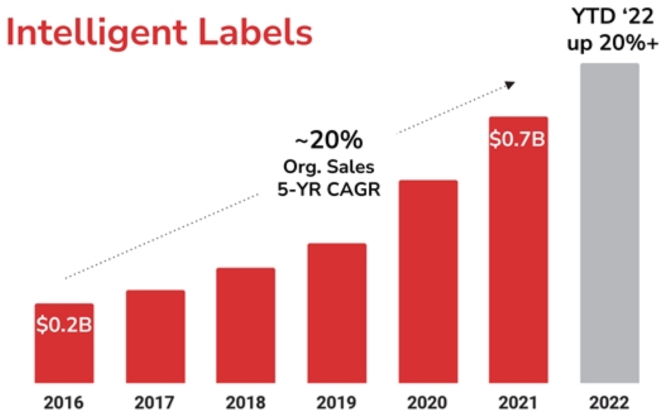
- Adjusted EPS (non-GAAP) of $2.40, flat to prior year; up ~5% excluding currency

Free cash flow (non-GAAP) of $73 mil.

FY22 Adj. EPS guidance raised $0.10 to $9.45 to $9.85

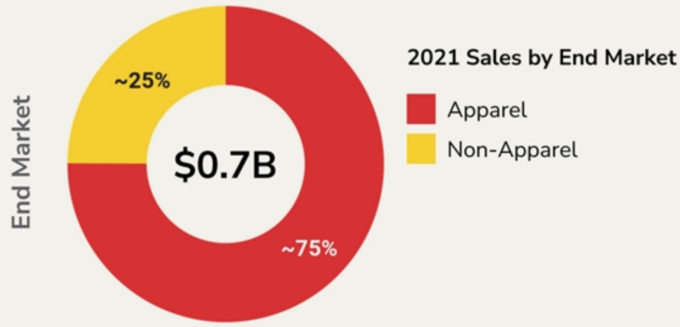
- Increased organic sales growth outlook to 12% to 14%
- Revenue growth outlook increased due to higher pricing to offset additional inflation

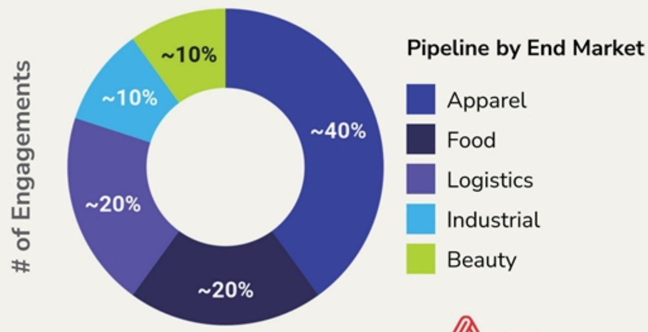
Intelligent Labels



- Industry leading position; 50%+ UHF RFID segment share
- Targeting 15–20% long-term top-line organic growth
- Clear innovation leader
- Investing in capacity and market development

Solutions enabling omnichannel retail, more efficient supply chains, enhanced consumer experience and less waste





Quarterly Sales Trend Analysis

	1Q21	2Q21	3Q21	4Q21	1Q22
Reported Sales Change	**19.1%**	**37.5%**	**19.8%**	**9.7%**	**14.5%**
Organic Sales Change	8.8%	28.1%	13.9%	12.8%	12.7%
Acquisitions/Divestitures	2.1%	1.1%	3.0%	5.7%	5.3%
Sales Change Ex. Currency*	10.9%	29.2%	17.0%	18.5%	18.0%
Extra Week Impact	3.8%	-	-	(8.5%)	-
Currency Translation	4.4%	8.3%	2.8%	(0.3%)	(3.4%)
Reported Sales Change*	**19.1%**	**37.5%**	**19.8%**	**9.7%**	**14.5%**

*Totals may not sum due to rounding.

Quarterly Sales Trend Analysis (cont.)

	Organic Sales Change				
	1Q21	2Q21	3Q21	4Q21	1Q22
LGM	8%	16%	14%	11%	12%
RBIS	9%	72%	14%	20%	20%
IHM	16%	33%	15%	10%	1%
Total Company	**9%**	**28%**	**14%**	**13%**	**13%**
Total Company Sales Change Ex. Currency	**11%**	**29%**	**17%**	**19%**	**18%**

First Quarter Sales Growth and Operating Margin Comparison

	First Quarter Sales Growth		
	Reported	Ex. Currency	Organic
Label and Graphic Materials	7.5%	11.5%	11.8%
Retail Branding and Information Solutions	40.7%	42.8%	20.0%
Industrial and Healthcare Materials	(0.8%)	1.2%	0.5%
Total Company	14.5%	18.0%	12.7%

	Operating Margin Reported		Adj. EBITDA Margin (Non-GAAP)	
	1Q22	1Q21	1Q22	1Q21
Label and Graphic Materials	14.0%	16.4%	15.6%	18.4%
Retail Branding and Information Solutions	13.3%	12.4%	19.1%	16.7%
Industrial and Healthcare Materials	8.2%	12.3%	11.8%	15.9%
Total Company	12.3%	13.8%	15.3%	16.5%

Label and Graphic Materials

Reported sales increased 8% to $1.5 bil.
Sales up 12% ex. currency and 12% organically

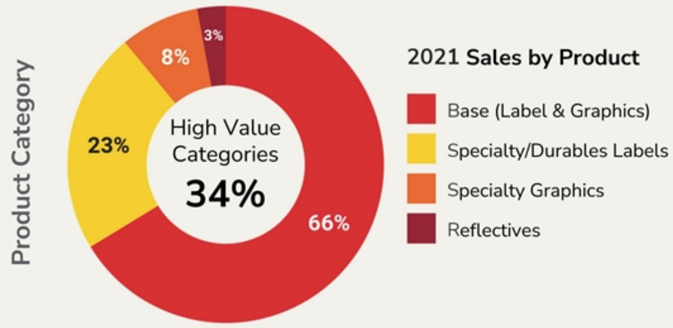
- Label and Packaging Materials up low-double digits on organic basis, with strong growth in both high value and base categories
- Combined Graphics and Reflective Solutions up high-single digits on organic basis
- Organically, North America and Western Europe up high teens, emerging markets up low-to-mid single digits

Reported operating margin decreased 240 bps to 14.0%

- Adjusted EBITDA margin decreased 280 bps to 15.6% largely driven by net impact of pricing, freight, and raw material costs; margin increased 110 bps sequentially
  - Higher revenue base from price increases alone, with no corresponding incremental EBITDA as they offset inflation, reduced margin by ~210 bps

Inflation remains persistent in LGM and IHM

- FY22: anticipate ~20% inflation vs. prior year



First Quarter 2022 Results

Retail Branding and Information Solutions

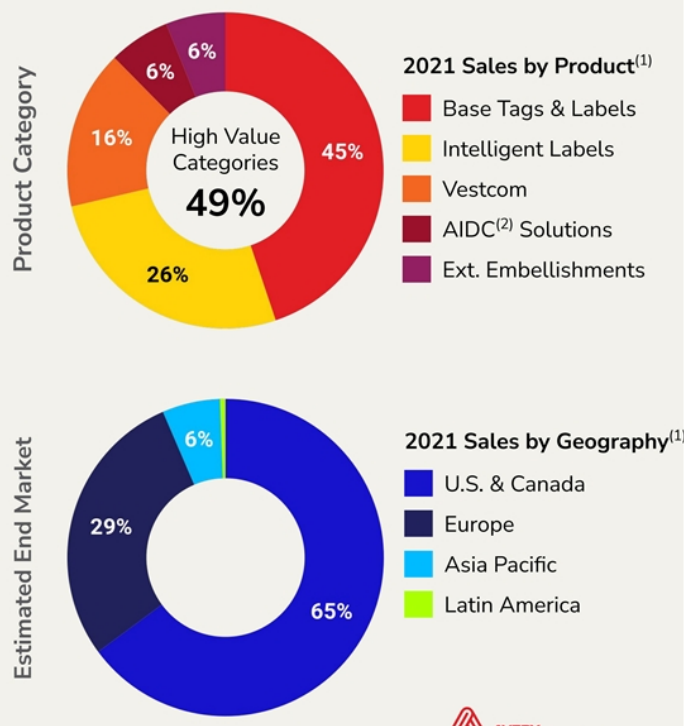
Reported sales increased 41% to $679 mil.
Sales up 43% ex. currency and 20% organically

- Strong growth in both high value categories and base business
- Intelligent Labels up 20%+ organically

Reported operating margin increased 90 bps to 13.3%

- Adjusted EBITDA margin increased 240 bps to 19.1% as benefits from higher organic volume and acquisitions were partially offset by growth investments and higher employee-related costs

Vestcom continues to achieve acquisition objectives



(1) Adjusted to include FY21 Vestcom sales
(2) Automatic Identification and Data Capture ("AIDC")

First Quarter 2022 Results

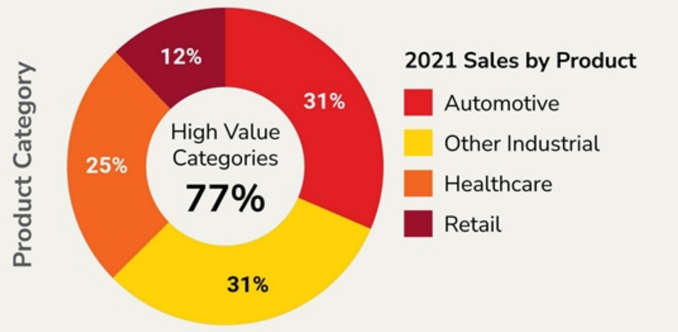
Industrial and Healthcare Materials

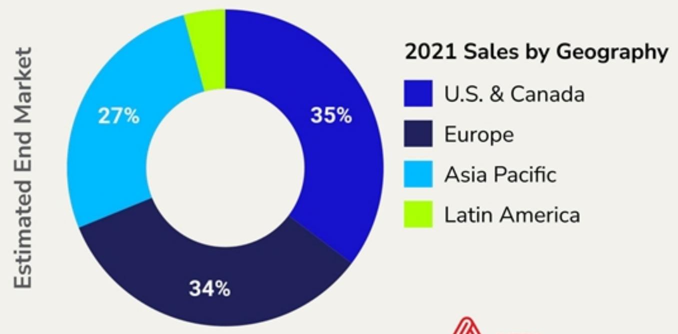
Reported sales decreased 1% to $190 mil.
Sales up 1% ex. currency and 1% organically

- Industrial categories down low-single digits on an organic basis, driven by automotive
- Healthcare up low-double digits on an organic basis

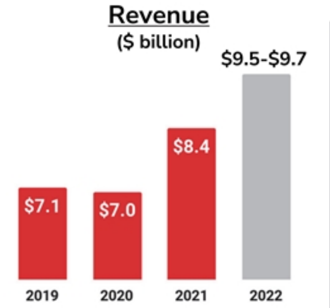
Reported operating margin decreased 410 bps to 8.2%

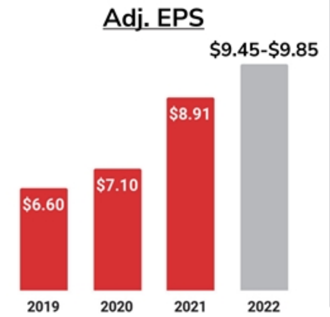
- Adjusted EBITDA margin decreased 410 bps to 11.8% driven by lower volume/mix and net impact of pricing, freight, and raw material costs
    - Higher revenue base from price increases alone, with no corresponding incremental EBITDA as they offset inflation, reduced margin by ~120 bps





Track record of consistent results; once again on track to deliver in 2022





2022 EPS Guidance

	Previous	Updated
Reported EPS	**$9.25 – $9.65**	**$9.35 – $9.75**
Add Back: **Est. restructuring costs and other items**	**~$0.10**	**~$0.10**
Adjusted EPS (non-GAAP)	**$9.35 – $9.75**	**$9.45 – $9.85**

Contributing Factors to 2022

- Reported sales growth of 12% to 14%; ~3% currency headwind
  - Ex. currency growth of 15% to 17%; ~3% benefit from M&A
  - Organic sales growth of 12% to 14% (previously 8% to 11%)
- Currency translation headwind to operating income of ~$40 mil. (previously ~$35 mil.)
- Investing ~$35 mil., principally in Intelligent Labels, digital capabilities and sustainability
- Tax rate in mid-twenty percent range
- Fixed and IT capital spend of up to $350 mil.

Appendix:

Supplemental Non-GAAP Reconciliations

Adjusted EPS

	2019	2020	2021
As reported net income per common share, assuming dilution	$ 3.57	$ 6.61	$ 8.83
Non-GAAP adjustments per common share, net of tax:			
Restructuring charges and other items[1]	$ 0.47	$ 0.48	$ 0.05
Pension plan settlements and related charges	$ 3.12	$ 0.01	$ 0.03
Tax benefit from discrete foreign tax structuring and planning transactions	$ (0.56)		
Adjusted net income per common share, assuming dilution (non-GAAP)	$ 6.60	$ 7.10	$ 8.91

The adjusted tax rate was 25%, 24.1%, and 24.6% for 2021, 2020, and 2019, respectively.

(1) Includes restructuring and related charges, transaction and related costs, gain/loss on venture investments, gain/loss on sale of assets, gain on sale of product line, outcomes of legal proceedings, and other items.

Adjusted EPS and EBITDA, ex. currency

(In millions, except % and per share amounts)

QTD		Adjusted EBITDA Non-GAAP		Adjusted net income Non-GAAP	Weighted average number of common shares outstanding, assuming dilution		Adjusted net income per common share, assuming dilution Non-GAAP
Q1 2022 As reported		$358.3		$199.5	83.0		$2.40
Q1 2021 As reported		$339.1		$201.3	83.9		$2.40
% Change		6%					0%
Q1 2022 As reported		$358.3		$199.5	83.0		$2.40
Q1 2021 As reported, ex. currency	~	$325.8	~	$192.0	83.9	~	$2.29
% Change ex. currency	~	10%				~	5%

Thank you

AVERY DENNISON