

**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) **October 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<br>Symbol(s) | Name of each exchange<br>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 October 23, 2024, announcing the Company's preliminary, unaudited financial results for the third 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 October 23, 2024, regarding the Company's preliminary, unaudited financial review and analysis for the third 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 October 23, 2024, at 11:00 a.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 October 23, 2024, announcing the Company's preliminary, unaudited financial results for the third quarter of 2024.](#)
- 99.2 [Supplemental presentation materials, dated October 23, 2024, regarding the Company's preliminary, unaudited financial review and analysis for the third 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<br/>No.</u> | <u>Description</u>   |
|------------------------|--|
| 99.1                   | <a href="#">Press release, dated October 23, 2024, announcing the Company's preliminary, unaudited financial results for the third quarter of 2024.</a>                                  |
| 99.2                   | <a href="#">Supplemental presentation materials, dated October 23, 2024, regarding the Company's preliminary, unaudited financial review and analysis for the third 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: October 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 THIRD QUARTER 2024 RESULTS

### Highlights:

- 3Q24 Reported EPS of \$2.25, up 32%
  - 3Q24 Adjusted EPS (non-GAAP) of \$2.33, up 9%
- 3Q24 Net sales of \$2.2 billion, up 4%
  - Sales change ex. currency (non-GAAP) up 5%
  - Organic sales change (non-GAAP) up 4%
- FY24 Reported EPS guidance of \$8.75 to \$8.90 (previously \$8.75 to \$8.95)
  - Raising Adjusted EPS guidance of \$9.35 to \$9.50 (previously \$9.30 to \$9.50)

**MENTOR, Ohio, October 23, 2024** – Avery Dennison Corporation (NYSE:AVY) today announced preliminary, unaudited results for its third quarter ended September 28, 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 third quarter with strong earnings growth, above expectations, driven by higher volume and productivity gains,” said Deon Stander, president and CEO. “Both our Materials and Solutions Groups delivered strong bottom-line growth.

“In Intelligent Labels, we are delivering another year of strong growth and continue to see significant opportunity ahead. Adoption of our solutions in new categories is increasing, particularly in Food, as the value of our technology in helping address key industry challenges continues to resonate with customers.

“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 challenges at hand.”

## **Third Quarter 2024 Results by Segment**

### **Materials Group**

- Reported sales increased 3% to \$1.5 billion. Sales were up 4% ex. currency and on an organic basis.
  - Label Materials sales were up low-to-mid single digits on an organic basis.
    - Volume/mix was up mid-single digits, which was partially offset by deflation-related price reductions.
  - Graphics and Reflectives were up mid-single digits organically.
  - Performance Tapes and Medical were up low single digits organically.
- Reported operating margin was 14.5%. Adjusted EBITDA margin (non-GAAP) of 17.0% comparable to prior year, as the benefits from higher volume/mix and productivity were partially offset by higher employee-related costs and the net impact of pricing and raw material input costs.

### **Solutions Group**

- Reported sales increased 7% to \$686 million. Sales were up 7% ex. currency and 6% on an organic basis.
  - Sales in high-value categories were up low single digits ex. currency.
    - Strong growth in apparel and general retail in Intelligent labels, partially offset by logistics in Intelligent Labels and other high-value solutions.
  - Sales were up mid teens ex. currency in base solutions.
- Reported operating margin was 9.7%. Adjusted EBITDA margin was 17.9%, up 150 basis points, driven by benefits from productivity and higher volume, partially offset by higher employee-related costs and investments.
  - Adj. EBITDA margin was up 110 basis points sequentially.

### **Other**

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

During the first three quarters of 2024, the company returned \$315 million in cash to shareholders through a combination of dividends and share repurchases. The company repurchased 0.5 million shares at an aggregate cost of \$108 million in the first three quarters of the year. Net of dilution from long-term incentive awards, the company's share count was down 0.3 million compared to the same time last year.

The company continues to deploy capital in a disciplined manner, executing its long-term capital allocation strategy. The company's balance sheet remains strong, with net debt to adjusted EBITDA (non-GAAP) of 2.1x at the end of the third quarter.

## Income Taxes

The company's reported effective tax rate was 24.1% in the third quarter. The adjusted tax rate (non-GAAP) for the quarter was 26.0%.

## Cost Reduction Actions

Through the first three quarters of the year, the company realized approximately \$50 million in pre-tax savings from restructuring, net of transition costs, and incurred approximately \$26 million in pre-tax restructuring charges.

## Guidance

In its supplemental presentation materials, "Third 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 \$8.75 to \$8.95 to \$8.75 to \$8.90.

Excluding an estimated \$0.60 per share impact of restructuring charges and other items, the company raised its guidance range for 2024 for adjusted earnings per share from \$9.30 to \$9.50 to \$9.35 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, "Third 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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**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.**

**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).**

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**Contacts:**

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| Third Quarter Financial Summary - Preliminary, unaudited  |                    |           |                       |              |         |                                  |          |        |            |       |
|---|--------------------|-----------|-----------------------|--------------|---------|----------------------------------|----------|--------|------------|-------|
| (In millions, except % and per share amounts)   |                    |           |                       |              |         |                                  |          |        |            |       |
|   | 3Q                 |           | % Sales Change vs. PY |              |         |                                  |          |        |            |       |
|   | 2024               | 2023      | Reported              | Ex. Currency | Organic |                                  |          |        |            |       |
| Net sales, by segment:  |                    |           |                       |              |         |                                  |          |        |            |       |
| Materials Group   | \$1,497.7          | \$1,456.0 | 2.9%                  | 3.6%         | 3.6%    |                                  |          |        |            |       |
| Solutions Group   | 685.7              | 642.3     | 6.8%                  | 7.1%         | 6.0%    |                                  |          |        |            |       |
| Total net sales   | \$2,183.4          | \$2,098.3 | 4.1%                  | 4.7%         | 4.3%    |                                  |          |        |            |       |
|   | As Reported (GAAP) |           |                       |              |         | Adjusted Non-GAAP <sup>(1)</sup> |          |        |            |       |
|   | 3Q                 | 3Q        | %                     | % of Sales   |         | 3Q                               | 3Q       | %      | % of Sales |       |
|   | 2024               | 2023      | Change                | 2024         | 2023    | 2024                             | 2023     | Change | 2024       | 2023  |
| Operating income (loss)/operating margins before interest, other non-operating expense (income), and taxes, by segment: |                    |           |                       |              |         |                                  |          |        |            |       |
| Materials Group   | \$217.8            | \$176.5   |                       | 14.5%        | 12.1%   | \$222.2                          | \$216.1  |        | 14.8%      | 14.8% |
| Solutions Group   | 66.5               | 50.7      |                       | 9.7%         | 7.9%    | 77.4                             | 61.4     |        | 11.3%      | 9.6%  |
| Corporate expense <sup>(2)</sup>  | (19.9)             | (20.3)    |                       |              |         | (19.9)                           | (16.5)   |        |            |       |
| Total operating income/operating margins before interest, other non-operating expense (income), and taxes               | \$264.4            | \$206.9   | 28%                   | 12.1%        | 9.9%    | \$279.7                          | \$261.0  | 7%     | 12.8%      | 12.4% |
| Interest expense  | \$30.0             | \$31.0    |                       |              |         | \$30.0                           | \$31.0   |        |            |       |
| Other non-operating expense (income), net   | (\$4.9)            | (\$8.7)   |                       |              |         | (\$4.9)                          | (\$3.8)  |        |            |       |
| Income before taxes   | \$239.3            | \$184.6   | 30%                   | 11.0%        | 8.8%    | \$254.6                          | \$233.8  | 9%     | 11.7%      | 11.1% |
| Provision for income taxes  | \$57.6             | \$46.3    |                       |              |         | \$66.2                           | \$61.5   |        |            |       |
| Net income  | \$181.7            | \$138.3   | 31%                   | 8.3%         | 6.6%    | \$188.4                          | \$172.3  | 9%     | 8.6%       | 8.2%  |
| Net income per common share, assuming dilution  | \$2.25             | \$1.71    | 32%                   |              |         | \$2.33                           | \$2.13   | 9%     |            |       |
| Adjusted free cash flow   |                    |           |                       |              |         | \$219.4                          | \$309.9  |        |            |       |
| YTD Adjusted free cash flow   |                    |           |                       |              |         | \$420.0                          | \$373.6  |        |            |       |
| Adjusted EBITDA:  |                    |           |                       |              |         |                                  |          |        |            |       |
| Materials Group   |                    |           |                       |              |         | \$255.3                          | \$247.3  |        | 17.0%      | 17.0% |
| Solutions Group   |                    |           |                       |              |         | \$122.4                          | \$105.3  |        | 17.9%      | 16.4% |
| Corporate expense   |                    |           |                       |              |         | (\$19.9)                         | (\$16.5) |        |            |       |
| Total Adjusted EBITDA   |                    |           |                       |              |         | \$357.8                          | \$336.1  |        | 16.4%      | 16.0% |

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

- (1) Adjusted non-GAAP results for the third quarter of 2023 exclude the impact of the loss from Argentine peso remeasurement and interest income. The impact of the loss from Argentine peso remeasurement and interest income prior to the third quarter of 2023 was not material.
- (2) As reported "Corporate expense" for the third quarter of 2023 includes severance and related costs, net of reversals, of \$1, and asset impairment charges of \$2.8.

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

|   | (UNAUDITED)        |               |                   |               |
|---|--------------------|---------------|-------------------|---------------|
|   | Three Months Ended |               | Nine Months Ended |               |
|   | Sep. 28, 2024      | Sep. 30, 2023 | Sep. 28, 2024     | Sep. 30, 2023 |
| Net sales   | \$ 2,183.4         | \$ 2,098.3    | \$ 6,570.0        | \$ 6,253.8    |
| Cost of products sold   | 1,556.8            | 1,512.5       | 4,648.5           | 4,572.3       |
| Gross profit  | 626.6              | 585.8         | 1,921.5           | 1,681.5       |
| Marketing, general and administrative expense <sup>(1)</sup>            | 346.9              | 324.8         | 1,086.0           | 978.8         |
| Other expense (income), net <sup>(1)</sup>                              | 15.3               | 54.1          | 54.9              | 140.2         |
| Interest expense  | 30.0               | 31.0          | 87.8              | 89.3          |
| Other non-operating expense (income), net                               | (4.9)              | (8.7)         | (19.3)            | (19.9)        |
| Income before taxes   | 239.3              | 184.6         | 712.1             | 493.1         |
| Provision for income taxes  | 57.6               | 46.3          | 181.2             | 133.2         |
| Net income  | \$ 181.7           | \$ 138.3      | \$ 530.9          | \$ 359.9      |
| <b>Per share amounts:</b>   |                    |               |                   |               |
| Net income per common share, assuming dilution                          | \$ 2.25            | \$ 1.71       | \$ 6.56           | \$ 4.43       |
| Weighted average number of common shares outstanding, assuming dilution | 80.8               | 81.0          | 80.9              | 81.2          |

<sup>(1)</sup> Includes the reclassification of the loss from Argentine peso remeasurement from "Marketing, general and administrative expense" to "Other expense (income), net" in the third quarter of 2023. There were no reclassifications made prior to the third quarter of 2023 as the impacts were not material.

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

| <b>ASSETS</b>  | <b>(UNAUDITED)</b>   |                      |
|--|----------------------|----------------------|
|  | <b>Sep. 28, 2024</b> | <b>Sep. 30, 2023</b> |
| <b>Current assets:</b>   |                      |                      |
| Cash and cash equivalents  | \$ 212.7             | \$ 209.9             |
| Trade accounts receivable, net   | 1,574.7              | 1,426.2              |
| Inventories  | 1,013.5              | 936.1                |
| Other current assets   | 283.8                | 242.1                |
| Total current assets   | 3,084.7              | 2,814.3              |
| Property, plant and equipment, net   | 1,612.3              | 1,555.2              |
| Goodwill and other intangibles resulting from business acquisitions, net       | 2,795.9              | 2,836.6              |
| Deferred tax assets  | 110.9                | 115.2                |
| Other assets   | 848.1                | 811.8                |
|  | \$ 8,451.9           | \$ 8,133.1           |
| <br><b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>                                |                      |                      |
| <b>Current liabilities:</b>  |                      |                      |
| Short-term borrowings and current portion of long-term debt and finance leases | \$ 1,116.8           | \$ 716.0             |
| Accounts payable   | 1,343.2              | 1,265.3              |
| Other current liabilities  | 889.0                | 763.0                |
| Total current liabilities  | 3,349.0              | 2,744.3              |
| Long-term debt and finance leases  | 2,042.1              | 2,597.6              |
| Other long-term liabilities  | 666.9                | 727.6                |
| <b>Shareholders' equity:</b>   |                      |                      |
| Common stock   | 124.1                | 124.1                |
| Capital in excess of par value   | 839.8                | 852.5                |
| Retained earnings  | 5,042.7              | 4,608.2              |
| Treasury stock at cost   | (3,212.3)            | (3,118.6)            |
| Accumulated other comprehensive loss   | (400.4)              | (402.6)              |
| Total shareholders' equity   | 2,393.9              | 2,063.6              |
|  | \$ 8,451.9           | \$ 8,133.1           |

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

|   | (UNAUDITED)       |                 |
|---|-------------------|-----------------|
|   | Nine Months Ended |                 |
|   | Sep. 28, 2024     | Sep. 30, 2023   |
| <b>Operating Activities</b>   |                   |                 |
| Net income  | \$ 530.9          | \$ 359.9        |
| Adjustments to reconcile net income to net cash provided by operating activities: |                   |                 |
| Depreciation  | 147.5             | 138.5           |
| Amortization  | 86.5              | 82.9            |
| Provision for credit losses and sales returns                                     | 38.2              | 32.4            |
| Stock-based compensation  | 24.2              | 17.4            |
| Deferred taxes and other non-cash taxes   | (3.0)             | (29.4)          |
| Other non-cash expense and loss (income and gain), net                            | 59.7              | 25.2            |
| Changes in assets and liabilities and other adjustments                           | (296.4)           | (112.8)         |
| <b>Net cash provided by operating activities</b>                                  | <b>587.6</b>      | <b>514.1</b>    |
| <b>Investing Activities</b>   |                   |                 |
| Purchases of property, plant and equipment  | (139.3)           | (173.0)         |
| Purchases of software and other deferred charges                                  | (22.1)            | (15.3)          |
| Proceeds from company-owned life insurance policies <sup>(1)</sup>                | ---               | 48.1            |
| 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                              | 0.4               | 0.7             |
| Proceeds from insurance and sales (purchases) of investments, net <sup>(1)</sup>  | 3.6               | (1.0)           |
| Payments for acquisitions, net of cash acquired, and venture investments          | (1.9)             | (203.7)         |
| <b>Net cash used in investing activities</b>                                      | <b>(169.5)</b>    | <b>(344.2)</b>  |
| <b>Financing Activities</b>   |                   |                 |
| Net increase (decrease) in borrowings with maturities of three months or less     | 208.2             | 70.6            |
| Additional long-term borrowings   | ---               | 394.9           |
| Repayments of long-term debt and finance leases                                   | (305.2)           | (254.2)         |
| Dividends paid  | (207.1)           | (191.5)         |
| Share repurchases   | (107.5)           | (117.1)         |
| Net (tax withholding) proceeds related to stock-based compensation                | (8.2)             | (23.8)          |
| Other   | ---               | (1.6)           |
| <b>Net cash used in financing activities</b>                                      | <b>(419.8)</b>    | <b>(122.7)</b>  |
| <b>Effect of foreign currency translation on cash balances</b>                    | <b>(0.6)</b>      | <b>(4.5)</b>    |
| Increase (decrease) in cash and cash equivalents                                  | (2.3)             | 42.7            |
| Cash and cash equivalents, beginning of year                                      | 215.0             | 167.2           |
| <b>Cash and cash equivalents, end of period</b>                                   | <b>\$ 212.7</b>   | <b>\$ 209.9</b> |

<sup>(1)</sup> Prior-period amounts have been reclassified to conform to the current-year presentation.

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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 |               | Nine Months Ended |               |
|  | Sep. 28, 2024      | Sep. 30, 2023 | Sep. 28, 2024     | Sep. 30, 2023 |
| <b>Reconciliation of non-GAAP operating and EBITDA margins from GAAP:</b>                |                    |               |                   |               |
| Net sales  | \$ 2,183.4         | \$ 2,098.3    | \$ 6,570.0        | \$ 6,253.8    |
| Income before taxes  | \$ 239.3           | \$ 184.6      | \$ 712.1          | \$ 493.1      |
| Income before taxes as a percentage of net sales   | 11.0%              | 8.8%          | 10.8%             | 7.9%          |
| Adjustments:   |                    |               |                   |               |
| Interest expense   | \$ 30.0            | \$ 31.0       | \$ 87.8           | \$ 89.3       |
| Other non-operating expense (income), net  | (4.9)              | (8.7)         | (19.3)            | (19.9)        |
| Operating income before interest expense, other non-operating expense (income) and taxes | \$ 264.4           | \$ 206.9      | \$ 780.6          | \$ 562.5      |
| Operating margins  | 12.1%              | 9.9%          | 11.9%             | 9.0%          |
| <br>   |                    |               |                   |               |
| As reported net income   | \$ 181.7           | \$ 138.3      | \$ 530.9          | \$ 359.9      |
| Adjustments:   |                    |               |                   |               |
| Restructuring charges, net of reversals:   |                    |               |                   |               |
| Severance and related costs, net of reversals  | 11.0               | 38.7          | 22.2              | 64.6          |
| Asset impairment and lease cancellation charges  | 1.4                | 5.1           | 3.4               | 6.8           |
| (Gain) loss on venture investments   | 2.5                | ---           | 19.7              | ---           |
| Losses from Argentine peso remeasurement and Blue Chip Swap transactions <sup>(1)</sup>  | 0.4                | 7.8           | 15.8              | 7.8           |
| Outcomes of legal matters and settlements, net   | ---                | 2.5           | 0.2               | 56.3          |
| Transaction and related costs  | ---                | ---           | 0.3               | 4.2           |
| (Gain) loss on sales of assets   | ---                | ---           | ---               | 0.5           |
| Interest expense   | 30.0               | 31.0          | 87.8              | 89.3          |
| Other non-operating expense (income), net <sup>(1)(2)</sup>                              | (4.9)              | (8.7)         | (19.3)            | (19.9)        |
| Provision for income taxes   | 57.6               | 46.3          | 181.2             | 133.2         |
| Adjusted operating income (non-GAAP)   | \$ 279.7           | \$ 261.0      | \$ 842.2          | \$ 702.7      |
| Adjusted operating margins (non-GAAP)  | 12.8%              | 12.4%         | 12.8%             | 11.2%         |
| Depreciation and amortization  | \$ 78.1            | \$ 75.1       | \$ 234.0          | \$ 221.4      |
| Adjusted EBITDA (non-GAAP)   | \$ 357.8           | \$ 336.1      | \$ 1,076.2        | \$ 924.1      |
| Adjusted EBITDA margins (non-GAAP)   | 16.4%              | 16.0%         | 16.4%             | 14.8%         |
| <br>   |                    |               |                   |               |
| <b>Reconciliation of non-GAAP net income from GAAP:</b>                                  |                    |               |                   |               |
| As reported net income   | \$ 181.7           | \$ 138.3      | \$ 530.9          | \$ 359.9      |
| Adjustments:   |                    |               |                   |               |
| Restructuring charges and other items <sup>(1)</sup>                                     | 15.3               | 54.1          | 61.6              | 140.2         |
| Argentine interest income <sup>(1)</sup>   | (0.3)              | (4.9)         | (4.4)             | (4.9)         |
| Pension plan settlement loss (gain)  | 0.3                | ---           | 0.3               | ---           |
| Tax effect on restructuring charges and other items, and impact of adjusted tax rate     | (8.6)              | (15.2)        | (18.9)            | (28.9)        |
| Adjusted net income (non-GAAP)   | \$ 188.4           | \$ 172.3      | \$ 569.5          | \$ 466.3      |

<sup>(1)</sup> The impact of the loss from Argentine peso remeasurement and interest income prior to the third quarter of 2023 was not material.

<sup>(2)</sup> "Other non-operating expense (income), net" includes Argentine interest income of \$3 and \$4.4 for the three and nine months ended September 28, 2024, respectively, and \$4.9 for both the three and nine months ended September 30, 2023.

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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 |                | Nine Months Ended |                |
|  | Sep. 28, 2024      | Sep. 30, 2023  | Sep. 28, 2024     | Sep. 30, 2023  |
| <b>Reconciliation of non-GAAP net income per common share from GAAP:</b>             |                    |                |                   |                |
| As reported net income per common share, assuming dilution                           | \$ 2.25            | \$ 1.71        | \$ 6.56           | \$ 4.43        |
| Adjustments per common share, net of tax:  |                    |                |                   |                |
| Restructuring charges and other items <sup>(1)</sup>                                 | 0.19               | 0.67           | 0.76              | 1.73           |
| Argentine interest income <sup>(1)</sup>   | ---                | (0.06)         | (0.05)            | (0.06)         |
| Tax effect on restructuring charges and other items, and impact of adjusted tax rate | (0.11)             | (0.19)         | (0.23)            | (0.36)         |
| <b>Adjusted net income per common share, assuming dilution (non-GAAP)</b>            | <b>\$ 2.33</b>     | <b>\$ 2.13</b> | <b>\$ 7.04</b>    | <b>\$ 5.74</b> |
| Weighted average number of common shares outstanding, assuming dilution              | 80.8               | 81.0           | 80.9              | 81.2           |

Our adjusted tax rate was 26% for both the three and nine months ended September 28, 2024, and 26.3% and 25.8% for the three and nine months ended September 30, 2023, respectively.

<sup>(1)</sup> The impact of the loss from Argentine peso remeasurement and interest income prior to the third quarter of 2023 was not material.

|  | (UNAUDITED)        |                 |                   |                 |
|--|--------------------|-----------------|-------------------|-----------------|
|  | Three Months Ended |                 | Nine Months Ended |                 |
|  | Sep. 28, 2024      | Sep. 30, 2023   | Sep. 28, 2024     | Sep. 30, 2023   |
| <b>Reconciliation of adjusted free cash flow:</b>                                |                    |                 |                   |                 |
| Net cash provided by operating activities <sup>(1)</sup>                         | \$ 270.1           | \$ 322.6        | \$ 587.6          | \$ 514.1        |
| Purchases of property, plant and equipment                                       | (43.0)             | (57.1)          | (139.3)           | (173.0)         |
| Purchases of software and other deferred charges                                 | (9.2)              | (4.3)           | (22.1)            | (15.3)          |
| Proceeds from company-owned life insurance policies <sup>(2)</sup>               | ---                | 48.1            | ---               | 48.1            |
| 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                             | 0.1                | 0.4             | 0.4               | 0.7             |
| Proceeds from insurance and sales (purchases) of investments, net <sup>(2)</sup> | 1.4                | 0.2             | 3.6               | (1.0)           |
| <b>Adjusted free cash flow (non-GAAP)</b>  | <b>\$ 219.4</b>    | <b>\$ 309.9</b> | <b>\$ 420.0</b>   | <b>\$ 373.6</b> |

<sup>(1)</sup> Net cash provided by operating activities for the nine months ended September 28, 2024 includes 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.

<sup>(2)</sup> Prior-period amounts have been reclassified to conform to the current-year presentation.

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

|                              | Third Quarter Ended |                   |                         |                 |                   |             |
|------------------------------|---------------------|-------------------|-------------------------|-----------------|-------------------|-------------|
|                              | NET SALES           |                   | OPERATING INCOME (LOSS) |                 | OPERATING MARGINS |             |
|                              | 2024                | 2023              | 2024                    | 2023            | 2024              | 2023        |
| Materials Group              | \$ 1,497.7          | \$ 1,456.0        | \$ 217.8                | \$ 176.5        | 14.5%             | 12.1%       |
| Solutions Group              | 685.7               | 642.3             | 66.5                    | 50.7            | 9.7%              | 7.9%        |
| Corporate Expense            | N/A                 | N/A               | (19.9)                  | (20.3)          | N/A               | N/A         |
| <b>TOTAL FROM OPERATIONS</b> | <b>\$ 2,183.4</b>   | <b>\$ 2,098.3</b> | <b>\$ 264.4</b>         | <b>\$ 206.9</b> | <b>12.1%</b>      | <b>9.9%</b> |

RECONCILIATION OF NON-GAAP SUPPLEMENTARY INFORMATION FROM GAAP

|   | Third Quarter Ended |          |       |       |
|---|---------------------|----------|-------|-------|
|   | 2024                | 2023     | 2024  | 2023  |
| <b>Materials Group</b>  |                     |          |       |       |
| Operating income and margins, as reported   | \$ 217.8            | \$ 176.5 | 14.5% | 12.1% |
| Adjustments:  |                     |          |       |       |
| Restructuring charges, net of reversals:  |                     |          |       |       |
| Severance and related costs, net of reversals   | 1.5                 | 29.4     | 0.1%  | 2.0%  |
| Asset impairment and lease cancellation charges   | ---                 | 1.2      | ---   | 0.1%  |
| (Gain) loss on venture investment   | 2.5                 | ---      | 0.2%  | ---   |
| Losses from Argentine peso remeasurement and Blue Chip Swap transactions <sup>(1)</sup> | 0.4                 | 7.8      | ---   | 0.5%  |
| Outcomes of legal matters and settlements, net  | ---                 | 1.2      | ---   | 0.1%  |
| Adjusted operating income and margins (non-GAAP)  | \$ 222.2            | \$ 216.1 | 14.8% | 14.8% |
| Depreciation and amortization   | 33.1                | 31.2     | 2.2%  | 2.2%  |
| Adjusted EBITDA and margins (non-GAAP)  | \$ 255.3            | \$ 247.3 | 17.0% | 17.0% |
| <b>Solutions Group</b>  |                     |          |       |       |
| Operating income and margins, as reported   | \$ 66.5             | \$ 50.7  | 9.7%  | 7.9%  |
| Adjustments:  |                     |          |       |       |
| Restructuring charges, net of reversals:  |                     |          |       |       |
| Severance and related costs, net of reversals   | 9.5                 | 8.3      | 1.4%  | 1.3%  |
| Asset impairment and lease cancellation charges   | 1.4                 | 1.1      | 0.2%  | 0.2%  |
| Outcomes of legal matters and settlements, net  | ---                 | 1.3      | ---   | 0.2%  |
| Adjusted operating income and margins (non-GAAP)  | \$ 77.4             | \$ 61.4  | 11.3% | 9.6%  |
| Depreciation and amortization   | 45.0                | 43.9     | 6.6%  | 6.8%  |
| Adjusted EBITDA and margins (non-GAAP)  | \$ 122.4            | \$ 105.3 | 17.9% | 16.4% |

<sup>(1)</sup> Refer to Schedule A-1.

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

|                              | Nine Months Ended |                   |                         |                 |                   |             |
|------------------------------|-------------------|-------------------|-------------------------|-----------------|-------------------|-------------|
|                              | NET SALES         |                   | OPERATING INCOME (LOSS) |                 | OPERATING MARGINS |             |
|                              | 2024              | 2023              | 2024                    | 2023            | 2024              | 2023        |
| Materials Group              | \$ 4,541.0        | \$ 4,392.5        | \$ 667.3                | \$ 530.8        | 14.7%             | 12.1%       |
| Solutions Group              | 2,029.0           | 1,861.3           | 186.7                   | 95.0            | 9.2%              | 5.1%        |
| Corporate Expense            | N/A               | N/A               | (73.4)                  | (63.3)          | N/A               | N/A         |
| <b>TOTAL FROM OPERATIONS</b> | <b>\$ 6,570.0</b> | <b>\$ 6,253.8</b> | <b>\$ 780.6</b>         | <b>\$ 562.5</b> | <b>11.9%</b>      | <b>9.0%</b> |

RECONCILIATION OF NON-GAAP SUPPLEMENTARY INFORMATION FROM GAAP

|   | Nine Months Ended |                 |              |              |
|---|-------------------|-----------------|--------------|--------------|
|   | 2024              | 2023            | 2024         | 2023         |
| <b>Materials Group</b>  |                   |                 |              |              |
| Operating income and margins, as reported   | \$ 667.3          | \$ 530.8        | 14.7%        | 12.1%        |
| Adjustments:  |                   |                 |              |              |
| Restructuring charges, net of reversals:  |                   |                 |              |              |
| Severance and related costs, net of reversals   | 5.5               | 48.2            | 0.1%         | 1.1%         |
| Asset impairment and lease cancellation charges   | 0.1               | 2.3             | ---          | 0.1%         |
| (Gain) loss on venture investment   | 17.5              | ---             | 0.4%         | ---          |
| Losses from Argentine peso remeasurement and Blue Chip Swap transactions <sup>(1)</sup> | 15.8              | 7.8             | 0.4%         | 0.2%         |
| Outcomes of legal matters and settlements, net  | 1.0               | 1.2             | ---          | ---          |
| (Gain) loss on sales of assets  | ---               | 0.5             | ---          | ---          |
| <b>Adjusted operating income and margins (non-GAAP)</b>                                 | <b>\$ 707.2</b>   | <b>\$ 590.8</b> | <b>15.6%</b> | <b>13.5%</b> |
| Depreciation and amortization   | 98.7              | 95.9            | 2.1%         | 2.1%         |
| <b>Adjusted EBITDA and margins (non-GAAP)</b>   | <b>\$ 805.9</b>   | <b>\$ 686.7</b> | <b>17.7%</b> | <b>15.6%</b> |
| <b>Solutions Group</b>  |                   |                 |              |              |
| Operating income and margins, as reported   | \$ 186.7          | \$ 95.0         | 9.2%         | 5.1%         |
| Adjustments:  |                   |                 |              |              |
| Restructuring charges, net of reversals:  |                   |                 |              |              |
| Severance and related costs, net of reversals   | 16.4              | 15.5            | 0.8%         | 0.8%         |
| Asset impairment and lease cancellation charges   | 3.3               | 1.7             | 0.2%         | 0.1%         |
| (Gain) loss on venture investment   | 2.2               | ---             | 0.1%         | ---          |
| Outcomes of legal matters and settlements, net  | (0.8)             | 55.1            | ---          | 3.0%         |
| Transaction and related costs   | 0.3               | 4.2             | ---          | 0.2%         |
| <b>Adjusted operating income and margins (non-GAAP)</b>                                 | <b>\$ 208.1</b>   | <b>\$ 171.5</b> | <b>10.3%</b> | <b>9.2%</b>  |
| Depreciation and amortization   | 135.3             | 125.5           | 6.6%         | 6.8%         |
| <b>Adjusted EBITDA and margins (non-GAAP)</b>   | <b>\$ 343.4</b>   | <b>\$ 297.0</b> | <b>16.9%</b> | <b>16.0%</b> |

<sup>(1)</sup> The impact of the loss from Argentine peso remeasurement prior to the third quarter of 2023 was not material. Refer to Schedule A-1.

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

|   | QTD      |          |          |            |
|---|----------|----------|----------|------------|
|   | 4Q23     | 1Q24     | 2Q24     | 3Q24       |
| <b>Reconciliation of adjusted EBITDA from GAAP:</b> |          |          |          |            |
| As reported net income                              | \$ 143.1 | \$ 172.4 | \$ 176.8 | \$ 181.7   |
| Adjustments <sup>(1)</sup>                          | 40.7     | 19.3     | 27.0     | 15.3       |
| Interest expense                                    | 29.7     | 28.6     | 29.2     | 30.0       |
| Other non-operating expense (income), net           | (10.9)   | (8.6)    | (5.8)    | (4.9)      |
| Provision for income taxes                          | 58.5     | 62.0     | 61.6     | 57.6       |
| Depreciation and amortization                       | 77.0     | 77.3     | 78.6     | 78.1       |
| Adjusted EBITDA (non-GAAP)                          | \$ 338.1 | \$ 351.0 | \$ 367.4 | \$ 357.8   |
| <br>  |          |          |          |            |
| Total Debt  |          |          |          | \$ 3,158.9 |
| Less: Cash and cash equivalents                     |          |          |          | 212.7      |
| Net Debt  |          |          |          | \$ 2,946.2 |
| Net Debt to Adjusted EBITDA LTM* (non-GAAP)         |          |          |          | 2.1        |

\* LTM = Last twelve months (4Q23 to 3Q24)

<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>Third Quarter 2024</b> |                    |                    |
|--|---------------------------|--------------------|--------------------|
|  | Total<br>Company          | Materials<br>Group | Solutions<br>Group |
| <b>Reconciliation of organic sales change from GAAP:</b> |                           |                    |                    |
| Reported net sales change                                | 4.1%                      | 2.9%               | 6.8%               |
| Foreign currency translation                             | 0.6%                      | 0.7%               | 0.3%               |
| Sales change ex. currency (non-GAAP) <sup>(1)</sup>      | 4.7%                      | 3.6%               | 7.1%               |
| Acquisitions   | (0.3%)                    | ---                | (1.1%)             |
| Organic sales change (non-GAAP) <sup>(1)</sup>           | 4.3%                      | 3.6%               | 6.0%               |

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

|  | <b>Nine Months Ended 2024</b> |                    |                    |
|--|-------------------------------|--------------------|--------------------|
|  | Total<br>Company              | Materials<br>Group | Solutions<br>Group |
| <b>Reconciliation of organic sales change from GAAP:</b> |                               |                    |                    |
| Reported net sales change                                | 5.1%                          | 3.4%               | 9.0%               |
| Foreign currency translation                             | 0.6%                          | 0.3%               | 1.1%               |
| Sales change ex. currency (non-GAAP) <sup>(1)</sup>      | 5.6%                          | 3.7%               | 10.1%              |
| Acquisitions   | (0.8%)                        | ---                | (2.6%)             |
| Organic sales change (non-GAAP) <sup>(1)</sup>           | 4.8%                          | 3.7%               | 7.5%               |

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

# Third Quarter 2024 Financial Review and Analysis

(preliminary, unaudited)

October 23, 2024

## Supplemental Presentation Materials

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



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# 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 October 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.
- **Adjusted free cash flow conversion** refers to adjusted free cash flow divided by net income.

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).

October 23, 2024

Financial Review and Analysis Third Quarter 2024

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## **Delivered another strong quarter with Q3 adj. EPS up 9%, above expectations**

### **Materials Group delivered solid sales growth and strong margins**

- Label Materials volume/mix up mid-single digits
- Strong adj. EBITDA margin (non-GAAP) of 17%; moderated sequentially, as expected (seasonality)

### **Solutions Group delivered strong sales growth and expanded margins**

- Strong growth in apparel; volume environment remained normalized
- Strong adj. EBITDA margin of 18%, up more than 100 bps vs. PY and sequentially

### **Intelligent Labels adoption increasing in new categories**

- In Food, first U.S. grocer moves to adopt item-level tagging solution in bakery
- In Q3, delivered strong growth in apparel/general retail, partially offset by logistics (PY rollout)

### **Continued to generate strong adj. free cash flow (non-GAAP)**

### **Raising FY24 adj. EPS (non-GAAP) guidance to \$9.35 to \$9.50**

- At midpoint, up ~3 cents compared to previous guidance and 19% vs. PY

## Third Quarter 2024 Review

### Net sales of \$2.2 bil.

Sales change ex. curr. (non-GAAP) up 5%

Organic sales change (non-GAAP) up 4%

### Reported EPS of \$2.25

Adj. EPS of \$2.33, up 9%

#### Reported operating income of \$264 mil.

- Adj. EBITDA (non-GAAP) of \$358 mil., up 6% vs. PY
- Adj. EBITDA margin of 16.4%, up 40 bps

YTD adj. FCF of \$420 mil., up \$46 mil. vs. PY

YTD returned \$315 mil. to shareholders through dividends and share repurchases

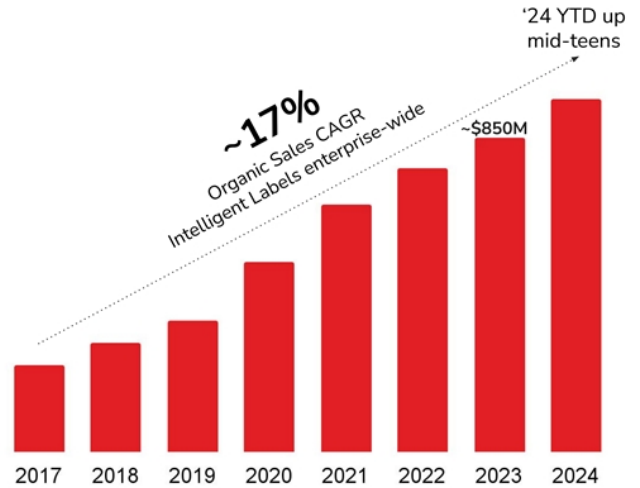
Maintained strong balance sheet; continuing to deploy capital in disciplined manner

- Net debt to adj. EBITDA (non-GAAP) ratio of 2.1

## Our leading position in Intelligent Labels is delivering significant growth

### Our Competitive Advantages

- **Industry-leading innovation**
  - Broad product and IP portfolio
  - Experienced team
  - State-of-the-art digital cloud platform and relevant data management capabilities
- **Significant scale**
  - Global footprint and deployment ability
  - Proprietary high-speed manufacturing processes
  - Vertically integrated
- **Go-to-market approach**
  - Broad direct and channel access
  - Proven adoption process
  - Segment expertise



Targeting ~15%+ organic sales growth long-term, as adoption of RFID solutions continues<sup>(1)</sup>

## Quarterly sales trend analysis

|   | 3Q23        | 4Q23      | 1Q24      | 2Q24      | 3Q24      |
|---|-------------|-----------|-----------|-----------|-----------|
| <b>Reported Sales Change</b>                | <b>(9%)</b> | <b>4%</b> | <b>4%</b> | <b>7%</b> | <b>4%</b> |
| Organic Sales Change <sup>(1)</sup>         | (11%)       | 1%        | 3%        | 7%        | 4%        |
| Acquisitions/Divestitures                   | 1%          | 1%        | 1%        | 1%        | 0.3%      |
| Sales Change Ex. Currency <sup>(1)(2)</sup> | (10%)       | 3%        | 4%        | 8%        | 5%        |
| Currency Translation                        | 1%          | 2%        | 0%        | (1%)      | (1%)      |
| <b>Reported Sales Change<sup>(2)</sup></b>  | <b>(9%)</b> | <b>4%</b> | <b>4%</b> | <b>7%</b> | <b>4%</b> |

(1) Non-GAAP

(2) Totals may not sum due to rounding

## Quarterly sales trend analysis (cont.)

|  | Organic Sales Change |           |           |           |           |
|--|----------------------|-----------|-----------|-----------|-----------|
|  | 3Q23                 | 4Q23      | 1Q24      | 2Q24      | 3Q24      |
| Materials Group                                    | (16%)                | (4%)      | 2%        | 6%        | 4%        |
| Solutions Group                                    | 1%                   | 14%       | 6%        | 11%       | 6%        |
| <b>Total Company</b>                               | <b>(11%)</b>         | <b>1%</b> | <b>3%</b> | <b>7%</b> | <b>4%</b> |
| <b>Total Company<br/>Sales Change Ex. Currency</b> | <b>(10%)</b>         | <b>3%</b> | <b>4%</b> | <b>8%</b> | <b>5%</b> |

## Third quarter sales and margin comparisons

|                      | Sales Change |              |         |
|----------------------|--------------|--------------|---------|
|                      | Reported     | Ex. Currency | Organic |
| Materials Group      | 3%           | 4%           | 4%      |
| Solutions Group      | 7%           | 7%           | 6%      |
| <b>Total Company</b> | 4%           | 5%           | 4%      |

|                      | Reported Operating Margin |       | Adj. EBITDA Margin (non-GAAP) |                     |
|----------------------|---------------------------|-------|-------------------------------|---------------------|
|                      | 3Q24                      | 3Q23  | 3Q24                          | 3Q23 <sup>(1)</sup> |
| Materials Group      | 14.5%                     | 12.1% | 17.0%                         | 17.0%               |
| Solutions Group      | 9.7%                      | 7.9%  | 17.9%                         | 16.4%               |
| <b>Total Company</b> | 12.1%                     | 9.9%  | 16.4%                         | 16.0%               |

(1) Reflects the impact of the reclassification of the Argentine peso remeasurement made in Q4 2023

## Materials Group

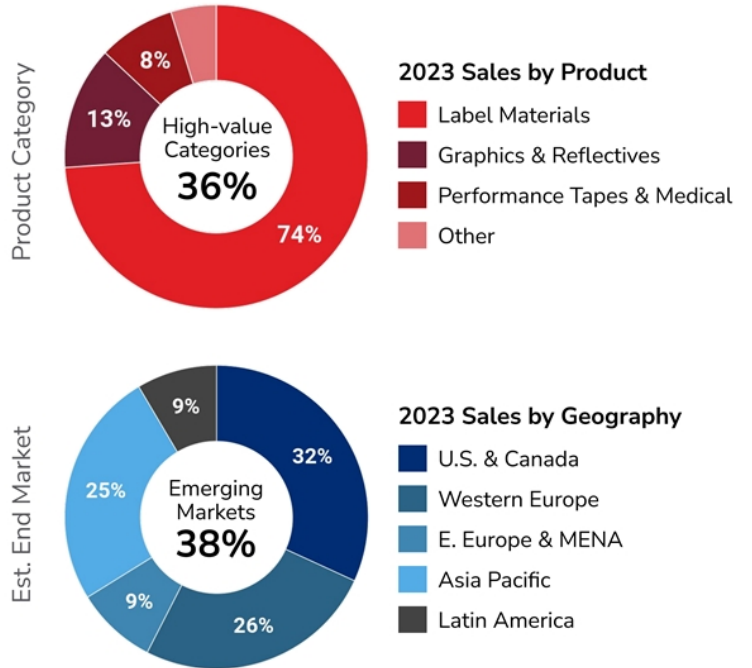
**Reported sales** increased 3% to \$1.5 bil.

Sales up 4% ex. currency and organically

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

**Reported operating margin** of 14.5%

- Adj. EBITDA margin of 17.0% comparable to PY, as benefits from higher volume/mix and productivity were partially offset by higher employee-related costs and net impact of pricing and raw material input costs



## Solutions Group

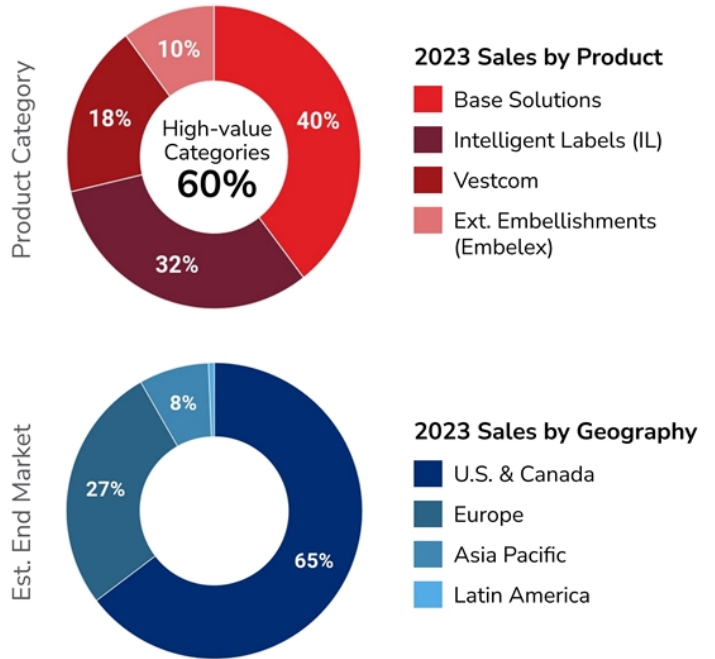
**Reported sales** increased 7% to \$686 mil.

Sales up 7% ex. currency and 6% organically

- Solutions high-value categories up low single digits ex. currency
  - Strong growth in IL apparel and general retail, partially offset by IL logistics and other high-value solutions
- Solutions base categories up mid teens ex. currency

**Reported operating margin** of 9.7%

- Adj. EBITDA margin of 17.9%, up 150 bps, driven by benefits from productivity and higher volume, partially offset by higher employee-related costs and investments
  - Adj. EBITDA margin up 110 bps sequentially





## 2024 EPS Guidance

|   | Previous        | Updated                |
|---|-----------------|------------------------|
| <b>Reported EPS</b>                                   | \$8.75 - \$8.95 | <b>\$8.75 - \$8.90</b> |
| Est. restructuring costs                              | ~\$0.23         | ~\$0.25                |
| Est. other items, incl. impact of venture investments | ~\$0.32         | ~\$0.35                |
| <b>Adjusted EPS</b>                                   | \$9.30 - \$9.50 | <b>\$9.35 - \$9.50</b> |

### Full-year 2024 contributing factors

- Reported sales growth of 5.0% to 5.5% (previously 4.5% to 5.5%), including ~0.5% benefit from acquisitions
- Organic sales growth of 4.5% to 5.0% (previously 4.0% to 5.0%)
  - Strong volume growth, partially offset by deflation-related price reductions
- Incremental savings of \$55+ mil. from restructuring actions, net (previously \$50+ mil.)
- ~\$5 mil. headwind to operating income from currency translation, assuming recent rates (previously ~\$10 mil. headwind)
- Targeting ~100% adj. FCF conversion; fixed and IT capital spend comparable to PY
- Adj. tax rate of ~26%

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