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) January 29, 2020

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.)

207 Goode Avenue Glendale, California	**91203**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code **(626) 304-2000**

(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	New York Stock Exchange

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 January 29, 2020, regarding the Company's preliminary, unaudited financial results for the fourth quarter and full year 2019 and guidance for the 2020 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 January 29, 2020, regarding the Company's preliminary, unaudited financial review and analysis for the fourth quarter and full year 2019 and guidance for the 2020 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 today, January 29, 2020, at 1:00 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 January 29, 2020, regarding the Company's preliminary, unaudited fourth quarter and full year 2019 financial results.
99.2	Supplemental presentation materials, dated January 29, 2020, regarding the Company's preliminary, unaudited financial review and analysis for fourth quarter and full year 2019.

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

Certain statements contained in this report on Form 8-K and in Exhibits 99.1 and 99.2 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: (1) the impacts to underlying demand for the Company's products and/or foreign currency fluctuations from global economic conditions, political uncertainty, and changes in governmental regulations; (2) competitors' actions, including pricing, expansion in key markets, and product offerings; (3) the degree to which higher costs can be offset with productivity measures and/or passed on to customers through selling price increases, without a significant loss of volume; and (4) the execution and integration of acquisitions.

Actual results and trends may differ materially from historical or anticipated results depending on a variety of factors, including but are not limited to, risks and uncertainties relating to the following: fluctuations in demand affecting sales to customers; worldwide and local economic conditions; changes in political conditions; changes in governmental laws and regulations; fluctuations in foreign currency exchange rates and other risks associated with foreign operations, including in emerging markets; the financial condition and inventory strategies of customers; changes in the Company's markets due to competitive conditions, technological developments, laws and regulations, and customer preferences; fluctuations in cost and availability of raw materials; the Company's ability to generate sustained productivity improvement; the Company's ability to achieve and sustain targeted cost reductions; the impact of competitive products and pricing; loss of significant contracts or customers; collection of receivables from customers; selling prices; business mix shift; execution and integration of acquisitions; timely development and market acceptance of new products, including sustainable or sustainably-sourced products; investment in development activities and new production facilities; amounts of future dividends and share repurchases; customer and supplier concentrations; successful implementation of new manufacturing technologies and installation of manufacturing equipment; disruptions in information technology systems, including cyber-attacks or other intrusions to network security; successful installation of new or upgraded information technology systems; data security breaches; volatility of financial markets; impairment of capitalized assets, including goodwill and other intangibles; credit risks; the Company's ability to obtain adequate financing arrangements and maintain access to capital; fluctuations in interest and tax rates; changes in tax laws and regulations, including the U.S. Tax Cuts and Jobs Act and regulations issued related thereto, and uncertainties associated with interpretations of such laws and regulations; outcome of tax audits; fluctuations in pension, insurance, and employee benefit costs; the impact of legal and regulatory proceedings, including with respect to environmental, health and safety; protection and infringement of intellectual property; the impact of epidemiological events on the economy and the Company's customers and suppliers; acts of war, terrorism, and natural disasters; and other factors.

For a more detailed discussion of these and other factors, see Part I, Item 1A. "Risk Factors" and Part II, Item 7. "Management's Discussion and Analysis of Results of Operations and Financial Condition" in the Company's 2018 Form 10-K, filed with the Securities and Exchange Commission on February 27, 2019, and subsequent quarterly reports on Form 10-Q. The forward-looking statements included in this 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 January 29, 2020, regarding the Company's preliminary, unaudited fourth quarter and full year 2019 financial results.
99.2	Supplemental presentation materials, dated January 29, 2020, regarding the Company's preliminary, unaudited financial review and analysis for fourth quarter and full 2019.
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: January 29, 2020	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 FOURTH QUARTER AND FULL YEAR 2019 RESULTS

- Ø 4Q19 Reported EPS of $1.92
  - Ø Adjusted EPS (non-GAAP) of $1.73
- Ø 4Q19 Net sales increased 0.2% to $1.77 billion
  - Ø Organic sales growth (non-GAAP) of 2.1%
- Ø FY19 Reported EPS of $3.57, incl. pension settlement charges
  - Ø Adjusted EPS of $6.60
- Ø FY19 Net sales decreased 1.2% to $7.07 billion
  - Ø Organic sales growth of 2.0%
- Ø Returned $427 mil. to shareholders via share repurchase and dividends in 2019
- Ø Expect FY20 Reported EPS of $6.75 to $7.00
  - Ø Adjusted EPS of $6.90 to $7.15

GLENDALE, Calif., January 29, 2020 – Avery Dennison Corporation (NYSE:AVY) today announced preliminary, unaudited results for its fourth quarter and year ended December 28, 2019. Non-GAAP financial measures referenced in this document are reconciled to GAAP in the attached tables. Unless otherwise indicated, comparisons are to the same periods in the prior year.

“We delivered another year of strong adjusted earnings growth in 2019, despite challenging market conditions and significant currency headwinds,” said Mitch Butier, Chairman, President and CEO. “Our focus in this environment is on protecting our margins in the base business, while driving faster-than-average growth and continuing to invest disproportionately in high value categories like RFID. We are executing well on both fronts.

“Label and Graphic Materials delivered solid volume improvement in the second half while expanding margins, recapturing share that we ceded at the tail end of the last inflationary cycle, as planned. Retail Branding and Information Solutions delivered mid-teens profit growth, reflecting both strong top-line performance and continued margin expansion. And, in a difficult year for industrial end markets, Industrial and Healthcare Materials posted modest sales growth while expanding margins significantly.

“For 2020, we are targeting continued progress toward our 2021 goals,” added Butier. “We anticipate solid earnings growth, benefitting from our improved volume trend. We continue our relentless pursuit of productivity, triggering the next wave of restructuring savings, while investing to drive future growth and strengthen our competitive advantage, including our recently announced acquisition of Smartrac.

“We remain confident that the consistent execution of our strategies will enable us to continue to deliver for all of our key stakeholders. I would like to thank our employees for their dedication to creating superior value for our customers, investors, and the communities in which we operate through their constant focus on innovation and operational excellence.”

Fourth Quarter 2019 Results by Segment

Label and Graphic Materials

- Reported sales decreased 0.4 percent. On an organic basis, sales grew 1.5 percent, driven by volume/mix, partially offset by pricing. Sales increased low-single digits on an organic basis in Label and Packaging Materials, and decreased low-single digits on an organic basis in the combined Graphics and Reflective Solutions businesses.

- Reported operating margin decreased 70 basis points to 12.0 percent as the benefits of productivity initiatives and the net impact of raw material deflation and pricing were more than offset by higher restructuring charges and unfavorable product mix. Adjusted operating margin increased 40 basis points to 13.3 percent.

Retail Branding and Information Solutions

- Reported sales increased 3.6 percent; on an organic basis, sales grew 5.2 percent, driven by continued strength in RFID and external embellishments.

- Reported operating margin decreased 10 basis points to 11.5 percent as the benefits from increased volume and productivity were more than offset by higher employee-related costs, restructuring charges, and growth-related investments. Adjusted operating margin increased 140 basis points to 13.6 percent.

Industrial and Healthcare Materials

- Reported sales declined 3.1 percent. On an organic basis, sales fell 1.1 percent, reflecting a mid-single digit decline in healthcare categories, partially offset by a low-single digit increase in industrial categories.

- Reported operating margin decreased 310 basis points to 7.2 percent, reflecting higher restructuring charges and employee-related costs that more than offset the benefits of productivity gains and strategic pricing initiatives. Adjusted operating margin increased 60 basis points to 10.2 percent.

<u>Other</u>

Share Repurchases / Equity Dilution from Long-Term Incentives

For the fourth quarter and full year 2019, the company repurchased 0.3 and 2.2 million shares, respectively, at an aggregate cost of $33 million and $238 million, respectively. Net of dilution, the company's share count decreased by 1.5 million for the year.

In 2019, the company returned $427 million in cash to shareholders through a combination of share repurchases and dividends.

Income Taxes

The company's reported effective tax rate was positive 1.3 percent for the fourth quarter and negative 22.7 percent for the full year. The company's adjusted (non-GAAP) tax rate was 24.2 percent for the fourth quarter and 24.6 percent for the full year; these rates exclude a fourth quarter net tax benefit of $48 million from a discrete foreign structuring transaction, while the full year rate also excludes a net tax benefit of $179 million associated with the termination of our U.S. pension plan.

The company’s 2020 adjusted tax rate is expected to be in the mid-twenty percent range.

Cost Reduction Actions

In the fourth quarter and full year 2019, the company realized approximately $18 million and $53 million, respectively, in pre-tax savings from restructuring, net of transition costs, and incurred pre-tax restructuring charges of approximately $29 million and $50 million, respectively, the vast majority of which represents cash charges.

Outlook

In its supplemental presentation materials, “Fourth Quarter and Full Year 2019 Financial Review and Analysis,” the company provides a list of factors that it believes will contribute to its 2020 financial results. Based on the factors listed and other assumptions, the company expects 2020 reported earnings per share of $6.75 to $7.00.

Excluding an estimated $0.15 per share related to restructuring charges and other items, the company expects adjusted earnings per share of $6.90 to $7.15.

For more details on the company’s results, see the summary tables accompanying this news release, as well as the supplemental presentation materials, “Fourth Quarter and Full Year 2019 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 (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. Headquartered in Glendale, California, the company employs more than 30,000 employees in more than 50 countries. Reported sales in 2019 were $7.1 billion. Learn more at www.averydennison.com.

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For a more detailed discussion of these and other factors, see “Risk Factors” and “Management’s Discussion and Analysis of Results of Operations and Financial Condition” in our 2018 Form 10-K, filed with the Securities and Exchange Commission on February 27, 2019, and subsequent quarterly reports on Form 10-Q. The forward-looking statements included in this document are made only as of the date of this document, and we undertake no obligation to update these statements to reflect subsequent events or circumstances, other than as may be required by law.

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

	4Q 2019	4Q 2018	% Sales Change vs. P/Y Reported	Ex. Currency (a)	Organic (b)
Net sales, by segment:					
Label and Graphic Materials	**$1,176.2**	**$1,181.4**	**(0.4%)**	1.5%	1.5%
Retail Branding and Information Solutions	**426.9**	**412.1**	**3.6%**	5.2%	5.2%
Industrial and Healthcare Materials	**169.8**	**175.2**	**(3.1%)**	(1.1%)	(1.1%)
Total net sales	**$1,772.9**	**$1,768.7**	**0.2%**	2.1%	2.1%

	As Reported (GAAP) 4Q 2019	4Q 2018	% Change	% of Sales 2019	% of Sales 2018	Adjusted Non-GAAP (c) 4Q 2019	4Q 2018	% Change	% of Sales 2019	% of Sales 2018
Operating income (loss) / operating margins before interest, other non-operating expense, and taxes, by segment:										
Label and Graphic Materials	**$140.9**	**$150.1**		**12.0%**	**12.7%**	$156.0	$152.0		13.3%	12.9%
Retail Branding and Information Solutions	**49.1**	**48.0**		**11.5%**	**11.6%**	58.1	50.3		13.6%	12.2%
Industrial and Healthcare Materials	**12.2**	**18.0**		**7.2%**	**10.3%**	17.4	16.8		10.2%	9.6%
Corporate expense	**(22.1)**	**(22.1)**				(19.9)	(22.1)			
Total operating income / operating margins before interest, other non-operating expense, and taxes	**$180.1**	**$194.0**	**(7%)**	**10.2%**	**11.0%**	$211.6	$197.0	7%	11.9%	11.1%
Interest expense	**$17.8**	**$16.3**				$17.8	$16.3			
Other non-operating expense, net (d)	**($3.0)**	**$89.9**				($0.2)	$3.6			
Income before taxes	**$165.3**	**$87.8**	**88%**	**9.3%**	**5.0%**	$194.0	$177.1	10%	10.9%	10.0%
Provision for (benefit from) income taxes	**$2.2**	**($9.5)**				$46.9	$44.3			
Equity method investment losses	**($0.6)**	**($0.2)**				($0.6)	($0.2)			
Net income	**$162.5**	**$97.1**	**67%**	**9.2%**	**5.5%**	$146.5	$132.6	10%	8.3%	7.5%
Net income per common share, assuming dilution	**$1.92**	**$1.11**	**73%**			$1.73	$1.52	14%		
Free Cash Flow (e)						$184.9	$168.7			

See accompanying schedules A-4 to A-8 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, where applicable, currency adjustment for transitional reporting of highly inflationary economies (Argentina). Segment results are also adjusted for the reclassification of sales between segments. The estimated impact of foreign currency translation is calculated on a constant currency basis, with prior period results translated at current period average exchange rates to exclude the effect of currency fluctuations.

(b) *Organic sales change* refers to sales change ex. currency, excluding the estimated impact of product line exits, acquisitions and divestitures, and, where applicable, the extra week in our fiscal year.

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

(d) As reported "Other non-operating expense, net" for the fourth quarter of 2019 and 2018 includes ($2.8) and $86.3, respectively, of pension plan (credits), net of settlement charges.

(e) *Free cash flow* refers to cash flow provided by operating activities, less payments for property, plant and equipment, software and other deferred charges, plus proceeds from sales of property, plant and equipment, plus (minus) net proceeds from insurance and sales (purchases) of investments. Free cash flow is also adjusted for the cash contributions related to the termination of our U.S. pension plan.

Full Year Financial Summary - Preliminary, unaudited
(in millions, except % and per share amounts)

			% Sales Change vs. P/Y		
	2019	2018	Reported	Ex. Currency (a)	Organic (b)
Net sales, by segment:					
Label and Graphic Materials	**$4,745.9**	**$4,851.1**	**(2.2%)**	1.2%	1.2%
Retail Branding and Information Solutions	**1,650.3**	**1,613.2**	**2.3%**	5.1%	5.1%
Industrial and Healthcare Materials	**673.9**	**694.7**	**(3.0%)**	0.4%	0.4%
Total net sales	**$7,070.1**	**$7,159.0**	**(1.2%)**	2.0%	2.0%

	As Reported (GAAP)					Adjusted Non-GAAP (c)				
				% of Sales					% of Sales	
	2019	2018	% Change	2019	2018	2019	2018	% Change	2019	2018
Operating income (loss) / operating margins before interest, other non-operating expense, and taxes, by segment:										
Label and Graphic Materials	**$601.5**	**$568.2**		**12.7%**	**11.7%**	$629.8	$630.0		13.3%	13.0%
Retail Branding and Information Solutions	**196.6**	**170.4**		**11.9%**	**10.6%**	206.5	181.8		12.5%	11.3%
Industrial and Healthcare Materials	**60.0**	**62.9**		**8.9%**	**9.1%**	69.4	61.9		10.3%	8.9%
Corporate expense	**(87.6)**	**(83.4)**				(82.0)	(85.7)			
Total operating income / operating margins before interest, other non-operating expense, and taxes	**$770.5**	**$718.1**	**7%**	**10.9%**	**10.0%**	$823.7	$788.0	5%	11.7%	11.0%
Interest expense	**$75.8**	**$58.5**				$75.8	$58.5			
Other non-operating expense, net (d)	**$445.2**	**$104.8**				$1.1	$11.1			
Income before taxes	**$249.5**	**$554.8**	**(55%)**	**3.5%**	**7.7%**	$746.8	$718.4	4%	10.6%	10.0%
(Benefit from) provision for income taxes (e)	**($56.7)**	**$85.4**				$183.4	$179.6			
Equity method investment losses	**($2.6)**	**($2.0)**				($2.6)	($2.0)			
Net income	**$303.6**	**$467.4**	**(35%)**	**4.3%**	**6.5%**	$560.8	$536.8	4%	7.9%	7.5%
Net income per common share, assuming dilution	**$3.57**	**$5.28**	**(32%)**			$6.60	$6.06	9%		
Free Cash Flow (f)						$512.3	$429.2			

See accompanying schedules A-4 to A-8 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, where applicable, currency adjustment for transitional reporting of highly inflationary economies (Argentina). Segment results are also adjusted for the reclassification of sales between segments. The estimated impact of foreign currency translation is calculated on a constant currency basis, with prior period results translated at current period average exchange rates to exclude the effect of currency fluctuations.

(b) *Organic sales change* refers to sales change ex. currency, excluding the estimated impact of product line exits, acquisitions and divestitures, and, where applicable, the extra week in our fiscal year.

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

(d) As reported "Other non-operating expense, net" for 2019 and 2018 includes $444.1 and $93.7, respectively, of pension plan settlements and related charges.

(e) As reported "(Benefit from) provision for income taxes" for 2019 includes tax benefit of $178.9 related to the termination of our U.S. pension plan.

(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 the cash contributions related to the termination of our U.S. pension plan.

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

	(UNAUDITED)			
	Three Months Ended		Twelve Months Ended	
	Dec. 28, 2019	Dec. 29, 2018	Dec. 28, 2019	Dec. 29, 2018
Net sales	$ 1,772.9	$ 1,768.7	$ 7,070.1	$ 7,159.0
Cost of products sold	1,288.2	1,297.2	5,166.0	5,243.5
Gross profit	484.7	471.5	1,904.1	1,915.5
Marketing, general and administrative expense	273.1	274.5	1,080.4	1,127.5
Other expense, net[(1)]	31.5	3.0	53.2	69.9
Interest expense	17.8	16.3	75.8	58.5
Other non-operating expense, net[(2)]	(3.0)	89.9	445.2	104.8
Income before taxes	165.3	87.8	249.5	554.8
Provision for (benefit from) income taxes[(3)]	2.2	(9.5)	(56.7)	85.4
Equity method investment losses	(0.6)	(0.2)	(2.6)	(2.0)
Net income	$ 162.5	$ 97.1	$ 303.6	$ 467.4
Per share amounts:				
Net income per common share, assuming dilution	$ 1.92	$ 1.11	$ 3.57	$ 5.28
Weighted average number of common shares outstanding, assuming dilution	84.5	87.2	85.0	88.6

(1) "Other expense, net" for the fourth quarter of 2019 includes severance and related costs of $25.5, asset impairment charges of $3.4, and transaction costs of $2.6.

"Other expense, net" for the fourth quarter of 2018 includes severance and related costs of $7 and asset impairment charges of $1, partially offset by reversal of acquisition-related contingent consideration of $5.

"Other expense, net" for fiscal year 2019 includes severance and related costs of $45.3, asset impairment and lease cancellation charges of $5.1, legal settlement of $3.4, and transaction costs of $2.6, partially offset by gain on sales of assets of $3.2.

"Other expense, net" for fiscal year 2018 includes severance and related costs of $63, asset impairment and lease cancellation charges of $10.7, Argentine peso remeasurement transition loss of $3.4, and other restructuring-related charge of $.5, partially offset by reversal of acquisition-related contingent consideration of $5 and net gain on sales of assets of $2.7.

(2) "Other non-operating expense, net" includes pension plan (credits), net of settlements and related charges of ($2.8) and $86.3 for the fourth quarter of 2019 and 2018, respectively, and $444.1 and $93.7 for the fiscal year 2019 and 2018, respectively.

(3) "Provision for (benefit from) income taxes" for fiscal year 2019 includes tax benefit of $178.9 related to the termination of our U.S. pension plan.

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

	(UNAUDITED)	
ASSETS	**Dec. 28, 2019**	**Dec. 29, 2018**
Current assets:		
Cash and cash equivalents	$ 253.7	$ 232.0
Trade accounts receivable, net	1,212.2	1,189.7
Inventories, net	663.0	651.4
Other current assets	211.7	224.9
Total current assets	2,340.6	2,298.0
Property, plant and equipment, net	1,210.7	1,137.4
Goodwill and other intangibles resulting from business acquisitions, net	1,057.3	1,085.8
Non-current deferred income taxes	225.4	205.3
Other assets	654.8	451.0
	$ 5,488.8	$ 5,177.5
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings and current portion of long-term debt and finance leases	$ 440.2	$ 194.6
Accounts payable	1,066.1	1,030.5
Other current liabilities	747.5	768.9
Total current liabilities	2,253.8	1,994.0
Long-term debt and finance leases	1,499.3	1,771.6
Other long-term liabilities	531.7	456.8
Shareholders' equity:		
Common stock	124.1	124.1
Capital in excess of par value	874.0	872.0
Retained earnings	2,979.1	2,864.9
Treasury stock at cost	(2,425.1)	(2,223.9)
Accumulated other comprehensive loss	(348.1)	(682.0)
Total shareholders' equity	1,204.0	955.1
	$ 5,488.8	$ 5,177.5

In the first quarter of 2019, we adopted Accounting Standards Codification ("ASU") No. 2016-02, *Leases*. This ASU requires lessees to recognize on their balance sheets the rights and obligations created by leases. As allowed under this ASU, we elected to apply it using a modified retrospective approach. This approach applies to all leases that existed at or commenced after the date of our initial application. As such, prior year comparative periods have not been adjusted.

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

	(UNAUDITED) Twelve Months Ended	
	Dec. 28, 2019	**Dec. 29, 2018**
Operating Activities:		
Net income	$ 303.6	$ 467.4
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	140.3	141.5
Amortization	38.7	39.5
Provision for doubtful accounts and sales returns	58.7	45.6
Stock-based compensation	34.5	34.3
Pension plan settlements and related charges	444.1	93.7
Deferred income taxes and other non-cash taxes	(216.9)	(32.7)
Other non-cash expense and loss (income and gain), net	28.3	60.4
Changes in assets and liabilities and other adjustments	(84.8)	(391.8)
Net cash provided by operating activities	746.5	457.9
Investing Activities:		
Purchases of property, plant and equipment	(219.4)	(226.7)
Purchases of software and other deferred charges	(37.8)	(29.9)
Proceeds from sales of property, plant and equipment	7.8	9.4
Proceeds from insurance and sales (purchases) of investments, net	4.9	18.5
Payments for investments in businesses	(6.5)	(3.8)
Net cash used in investing activities	(251.0)	(232.5)
Financing Activities:		
Net decrease in borrowings (maturities of three months or less)	(5.3)	(77.6)
Additional long-term borrowings	---	493.3
Repayments of long-term debt and finance leases	(18.6)	(6.4)
Dividends paid	(189.7)	(175.0)
Share repurchases	(237.7)	(392.9)
Net (tax withholding) proceeds related to stock-based compensation	(17.4)	(32.2)
Payments of contingent consideration	(1.6)	(17.3)
Net cash used in financing activities	(470.3)	(208.1)
Effect of foreign currency translation on cash balances	(3.5)	(9.7)
Increase in cash and cash equivalents	21.7	7.6
Cash and cash equivalents, beginning of year	232.0	224.4
Cash and cash equivalents, end of year	$ 253.7	$ 232.0

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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 upon feedback from investors and financial analysts, we believe that the supplemental non-GAAP financial measures we provide are useful to their assessment of our performance and operating trends, as well as liquidity.

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

We use the following non-GAAP financial measures in 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, where applicable, currency adjustment for transitional reporting of highly inflationary economies (Argentina). Segment results are also adjusted for the reclassification of sales between segments. The estimated impact of foreign currency translation is calculated on a constant currency basis, with prior period results translated at current period average exchange rates to exclude the effect of currency fluctuations.

Organic sales change refers to sales change ex. currency, excluding the estimated impact of product line exits, acquisitions and divestitures, and, where applicable, the extra week in our fiscal year.

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

Adjusted operating income refers to income before taxes, interest expense, other non-operating expense, and other expense, net.

Adjusted operating margin refers to adjusted operating income as a percentage of net sales.

Adjusted tax rate refers to the full-year GAAP tax rate, adjusted to exclude certain unusual or infrequent events that are expected to significantly impact that rate, such as impacts related to the enactment of the U.S. Tax Cuts and Jobs Act (TCJA) and our U.S. pension plan termination, effects of certain discrete tax planning actions, and other items.

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

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

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

Free cash flow refers to cash flow provided by operating activities, less payments for property, plant and equipment, software and other deferred charges, plus proceeds from sales of property, plant and equipment, plus (minus) net proceeds from insurance and sales (purchases) of investments. Free cash flow is also adjusted for the cash contributions related to the termination of our U.S. pension plan. We believe that free cash flow assists investors by showing the amount of cash we have available for debt reductions, dividends, share repurchases, and acquisitions.

The following 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		Twelve Months Ended	
	Dec. 28, 2019	Dec. 29, 2018	Dec. 28, 2019	Dec. 29, 2018
Reconciliation from GAAP to Non-GAAP operating margins:				
Net sales	$ 1,772.9	$ 1,768.7	$ 7,070.1	$ 7,159.0
Income before taxes	$ 165.3	$ 87.8	$ 249.5	$ 554.8
Income before taxes as a percentage of net sales	9.3%	5.0%	3.5%	7.7%
Adjustments:				
Interest expense	$ 17.8	$ 16.3	$ 75.8	$ 58.5
Other non-operating expense, net	(3.0)	89.9	445.2	104.8
Operating income before interest expense, other non-operating expense, and taxes	$ 180.1	$ 194.0	$ 770.5	$ 718.1
Operating margins	10.2%	11.0%	10.9%	10.0%
Income before taxes	$ 165.3	$ 87.8	$ 249.5	$ 554.8
Adjustments:				
Restructuring charges:				
Severance and related costs	25.5	7.0	45.3	63.0
Asset impairment and lease cancellation charges	3.4	1.0	5.1	10.7
Transaction costs	2.6	---	2.6	---
Legal settlement	---	---	3.4	---
Argentine peso remeasurement transition loss	---	---	---	3.4
Other restructuring-related charge	---	---	---	0.5
Reversal of acquisition-related contingent consideration	---	(5.0)	---	(5.0)
Net gain on sales of assets	---	---	(3.2)	(2.7)
Interest expense	17.8	16.3	75.8	58.5
Other non-operating expense, net	(3.0)	89.9	445.2	104.8
Adjusted operating income before interest expense, other non-operating expense, and taxes (non-GAAP)	$ 211.6	$ 197.0	$ 823.7	$ 788.0
Adjusted operating margins (non-GAAP)	11.9%	11.1%	11.7%	11.0%
Reconciliation from GAAP to Non-GAAP net income:				
As reported net income	$ 162.5	$ 97.1	$ 303.6	$ 467.4
Adjustments:				
Restructuring charges and other items(1)	31.5	3.0	53.2	69.9
Pension plan settlements and related charges	(2.8)	86.3	444.1	93.7
Tax benefit from pension plan settlements and related charges(2)	0.8	(19.3)	(179.0)	(19.3)
Tax benefit from pension plan contributions(3)(4)	---	---	---	(31.0)
Tax benefit from discrete foreign tax structuring and planning transactions	(47.9)	(31.0)	(47.9)	(31.0)
Tax effect on restructuring charges and other items and impact of adjusted tax rate	2.4	0.2	(13.2)	(9.2)
Adjustments to TCJA provisional amounts(2)(4)	---	(3.7)	---	(3.7)
Adjusted net income (non-GAAP)	$ 146.5	$ 132.6	$ 560.8	$ 536.8

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

(2) Amounts in the fourth quarter of 2018 include the combined third and fourth quarter impacts of ($1.2) and ($18.1) for tax benefits from pension plan settlements, and ($4.7) and $1 for adjustments to TCJA provisional amounts.

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

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

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

	(UNAUDITED)			
	Three Months Ended		Twelve Months Ended	
	Dec. 28, 2019	Dec. 29, 2018	Dec. 28, 2019	Dec. 29, 2018
Reconciliation from GAAP to Non-GAAP net income per common share:				
As reported net income per common share, assuming dilution	$ 1.92	$ 1.11	$ 3.57	$ 5.28
Adjustments per common share, net of tax:				
Restructuring charges and other items[(1)]	0.37	0.04	0.63	0.78
Pension plan settlements and related charges	(0.02)	0.77	3.12	0.84
Tax benefit from discrete foreign tax structuring and planning transactions	(0.57)	(0.36)	(0.56)	(0.35)
Adjustments to TCJA provisional amounts[(2)]	---	(0.04)	---	(0.39)
Tax effect on restructuring charges and other items and impact of adjusted tax rate	0.03	---	(0.16)	(0.10)
Adjusted net income per common share, assuming dilution (non-GAAP)	$ 1.73	$ 1.52	$ 6.60	$ 6.06
Weighted average number of common shares outstanding, assuming dilution	84.5	87.2	85.0	88.6

The adjusted tax rate was 24.2% and 24.6% for the three and twelve months ended Dec. 28, 2019, respectively, and 25% for the three and twelve months ended Dec. 29, 2018.

(1) Includes pretax restructuring and related charges, transaction costs, legal settlement, Argentine peso remeasurement transition loss, other restructuring-related charge, reversal of acquisition-related contingent consideration, and net gain on sales of assets.
(2) In the fourth quarter of 2018, we finalized our provisional amounts as defined under SEC Staff Accounting Bulletin No. 118 related to the TCJA.

	(UNAUDITED)			
	Three Months Ended		Twelve Months Ended	
	Dec. 28, 2019	Dec. 29, 2018	Dec. 28, 2019	Dec. 29, 2018
Reconciliation of free cash flow:				
Net cash provided by operating activities	$ 279.5	$ 270.2	$ 746.5	$ 457.9
Purchases of property, plant and equipment	(86.5)	(94.0)	(219.4)	(226.7)
Purchases of software and other deferred charges	(10.4)	(8.4)	(37.8)	(29.9)
Proceeds from sales of property, plant and equipment	0.1	---	7.8	9.4
Proceeds from insurance and sales (purchases) of investments, net	1.4	0.9	4.9	18.5
Pension plan contributions for plan termination	0.8	---	10.3	200.0
Free cash flow (non-GAAP)	$ 184.9	$ 168.7	$ 512.3	$ 429.2

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

	Fourth Quarter Ended					
	NET SALES		OPERATING INCOME (LOSS)		OPERATING MARGINS	
	2019	2018	2019 [1]	2018 [2]	2019	2018
Label and Graphic Materials	$ 1,176.2	$ 1,181.4	$ 140.9	$ 150.1	12.0%	12.7%
Retail Branding and Information Solutions	426.9	412.1	49.1	48.0	11.5%	11.6%
Industrial and Healthcare Materials	169.8	175.2	12.2	18.0	7.2%	10.3%
Corporate Expense	N/A	N/A	(22.1)	(22.1)	N/A	N/A
TOTAL FROM OPERATIONS	$ 1,772.9	$ 1,768.7	$ 180.1	$ 194.0	10.2%	11.0%

[1] Operating income for the fourth quarter of 2019 includes severance and related costs of $25.5, asset impairment charges of $3.4, and transaction costs of $2.6. Of the total $31.5, the Label and Graphic Materials segment recorded $15.1, the Retail Branding and Information Solutions segment recorded $9, the Industrial and Healthcare Materials segment recorded $5.2, and Corporate recorded $2.2.

[2] Operating income for the fourth quarter of 2018 includes severance and related costs of $7 and asset impairment charges of $1, partially offset by reversal of acquisition-related contingent consideration of $5. Of the total $3, the Label and Graphic Materials segment recorded $1.9, the Retail Branding and Information Solutions segment recorded $2.3, and the Industrial and Healthcare Materials segment recorded ($1.2).

RECONCILIATION FROM GAAP TO NON-GAAP SUPPLEMENTARY INFORMATION

	Fourth Quarter Ended			
	OPERATING INCOME		OPERATING MARGINS	
	2019	2018	2019	2018
<u>Label and Graphic Materials</u>				
Operating income and margins, as reported	$ 140.9	$ 150.1	12.0%	12.7%
Adjustments:				
Restructuring charges:				
Severance and related costs	15.1	1.6	1.3%	0.2%
Asset impairment charges	---	0.3	---	---
Adjusted operating income and margins (non-GAAP)	$ 156.0	$ 152.0	13.3%	12.9%
<u>Retail Branding and Information Solutions</u>				
Operating income and margins, as reported	$ 49.1	$ 48.0	11.5%	11.6%
Adjustments:				
Restructuring charges:				
Severance and related costs	6.3	1.7	1.5%	0.4%
Asset impairment charges	0.1	0.6	---	0.2%
Transaction costs	2.6	---	0.6%	---
Adjusted operating income and margins (non-GAAP)	$ 58.1	$ 50.3	13.6%	12.2%
<u>Industrial and Healthcare Materials</u>				
Operating income and margins, as reported	$ 12.2	$ 18.0	7.2%	10.3%
Adjustments:				
Restructuring charges:				
Severance and related costs	1.9	3.7	1.1%	2.1%
Asset impairment charges	3.3	0.1	1.9%	0.1%
Reversal of acquisition-related contingent consideration	---	(5.0)	---	(2.9%)
Adjusted operating income and margins (non-GAAP)	$ 17.4	$ 16.8	10.2%	9.6%

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

	Twelve Months Year-to-Date					
	NET SALES		OPERATING INCOME (LOSS)		OPERATING MARGINS	
	2019	2018	2019 (1)	2018 (2)	2019	2018
Label and Graphic Materials	$ 4,745.9	$ 4,851.1	$ 601.5	$ 568.2	12.7%	11.7%
Retail Branding and Information Solutions	1,650.3	1,613.2	196.6	170.4	11.9%	10.6%
Industrial and Healthcare Materials	673.9	694.7	60.0	62.9	8.9%	9.1%
Corporate Expense	N/A	N/A	(87.6)	(83.4)	N/A	N/A
TOTAL FROM OPERATIONS	$ 7,070.1	$ 7,159.0	$ 770.5	$ 718.1	10.9%	10.0%

(1) Operating income for fiscal year 2019 includes severance and related costs of $45.3, asset impairment and lease cancellation charges of $5.1, legal settlement of $3.4, and transaction costs of $2.6, partially offset by gain on sales of assets of $3.2. Of the total $53.2, the Label and Graphic Materials segment recorded $28.3, the Retail Branding and Information Solutions segment recorded $9.9, the Industrial and Healthcare Materials segment recorded $9.4, and Corporate recorded $5.6.

(2) Operating income for fiscal year 2018 includes severance and related costs of $63, asset impairment and lease cancellation charges of $10.7, Argentine peso remeasurement transition loss of $3.4, and other restructuring-related charge of $.5, partially offset by reversal of acquisition-related contingent consideration of $5 and net gain on sales of assets of $2.7. Of the total $69.9, the Label and Graphic Materials segment recorded $61.8, the Retail Branding and Information Solutions segment recorded $11.4, the Industrial and Healthcare Materials segment recorded ($1), and Corporate recorded ($2.3).

RECONCILIATION FROM GAAP TO NON-GAAP SUPPLEMENTARY INFORMATION

	Twelve Months Year-to-Date			
	OPERATING INCOME		OPERATING MARGINS	
	2019	2018	2019	2018
Label and Graphic Materials				
Operating income and margins, as reported	$ 601.5	$ 568.2	12.7%	11.7%
Adjustments:				
Restructuring charges:				
Severance and related costs	27.7	50.3	0.6%	1.0%
Asset impairment and lease cancellation charges	1.3	7.5	---	0.2%
Argentine peso remeasurement transition loss	---	3.4	---	0.1%
Other restructuring-related charge	---	0.5	---	---
(Gain) loss on sales of assets	(0.7)	0.1	---	---
Adjusted operating income and margins (non-GAAP)	$ 629.8	$ 630.0	13.3%	13.0%
Retail Branding and Information Solutions				
Operating income and margins, as reported	$ 196.6	$ 170.4	11.9%	10.6%
Adjustments:				
Restructuring charges:				
Severance and related costs	9.3	8.8	0.6%	0.5%
Asset impairment and lease cancellation charges	0.5	3.1	---	0.2%
Gain on sales of assets	(2.5)	(0.5)	(0.2%)	---
Transaction costs	2.6	---	0.2%	---
Adjusted operating income and margins (non-GAAP)	$ 206.5	$ 181.8	12.5%	11.3%
Industrial and Healthcare Materials				
Operating income and margins, as reported	$ 60.0	$ 62.9	8.9%	9.1%
Adjustments:				
Restructuring charges:				
Severance and related costs	6.1	3.9	0.9%	0.5%
Asset impairment charges	3.3	0.1	0.5%	---
Reversal of acquisition-related contingent consideration	---	(5.0)	---	(0.7%)
Adjusted operating income and margins (non-GAAP)	$ 69.4	$ 61.9	10.3%	8.9%

AVERY DENNISON CORPORATION
PRELIMINARY SUPPLEMENTARY INFORMATION
(UNAUDITED)

	Fourth Quarter 2019			
	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	0.2%	(0.4%)	3.6%	(3.1%)
Reclassification of sales between segments	---	(0.2%)	0.6%	---
Foreign currency translation	1.9%	2.1%	1.0%	2.0%
Sales change ex. currency (non-GAAP)(1)	2.1%	1.5%	5.2%	(1.1%)
Acquisitions	---	---	---	---
Organic sales change (non-GAAP)	2.1%	1.5%	5.2%	(1.1%)

	Full Year 2019			
	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	(1.2%)	(2.2%)	2.3%	(3.0%)
Reclassification of sales between segments	---	(0.2%)	0.6%	---
Foreign currency translation	3.3%	3.6%	2.2%	3.4%
Sales change ex. currency (non-GAAP)(1)	2.0%	1.2%	5.1%	0.4%
Acquisitions	---	---	---	---
Organic sales change (non-GAAP)	2.0%	1.2%	5.1%	0.4%

(1) Totals may not sum due to rounding

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Exhibit 99.2

Fourth Quarter and Full Year 2019 Financial Review and Analysis

(preliminary, unaudited)

Supplemental Presentation Materials

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

January 29, 2020

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: (1) the impacts to underlying demand for our products and/or foreign currency fluctuations from global economic conditions, political uncertainty, and changes in governmental regulations; (2) competitors' actions, including pricing, expansion in key markets, and product offerings; (3) the degree to which higher costs can be offset with productivity measures and/or passed on to customers through selling price increases, without a significant loss of volume; and (4) the execution and integration of acquisitions.

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

For a more detailed discussion of these and other factors, see "Risk Factors" and "Management's Discussion and Analysis of Results of Operations and Financial Condition" in our 2018 Form 10-K, filed with the Securities and Exchange Commission on February 27, 2019 and subsequent quarterly reports on Form 10-Q. The forward-looking statements included in this document are made only as of the date of this document, and we undertake no obligation to update these statements to reflect subsequent events or circumstances, other than as may be required by law.

Use of Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures as defined by SEC rules. We report our financial results in conformity with accounting principles generally accepted in the United States of America, or GAAP, and also communicate with investors using certain non-GAAP financial measures. These non-GAAP financial measures are not in accordance with, nor are they a substitute for or superior to, the comparable GAAP financial measures. These non-GAAP financial measures are intended to supplement presentation of our financial results that are prepared in accordance with GAAP. Based upon feedback from investors and financial analysts, we believe that the supplemental non-GAAP financial measures we provide are useful to their assessment of our performance and operating trends, as well as liquidity. In accordance with 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 financial schedules accompanying the earnings news release for the quarter (see Attachments A-4 through A-8 to news release dated January 29, 2020).

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

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

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

• *Adjusted operating income* refers to income before taxes, interest expense, other non-operating expense, and other expense, net.
• *Adjusted operating margin* refers to adjusted operating income as a percentage of net sales.
• *Adjusted tax rate* refers to the full-year GAAP tax rate, adjusted to exclude certain unusual or infrequent events that are expected to significantly impact that rate, such as impacts related to the enactment of the U.S. Tax Cuts and Jobs Act ("TCJA") and our U.S. pension plan termination, effects of certain discrete tax planning actions, and other items.
• *Adjusted net income* refers to income before taxes, tax-effected at the adjusted tax rate, and adjusted for tax-effected restructuring charges and other items.
• *Adjusted net income per common share, assuming dilution (adjusted EPS)* refers to adjusted net income divided by weighted average number of common shares outstanding, assuming dilution.
• *Adjusted EPS change, constant currency basis* refers to the change in adjusted EPS, as a percent of prior year adjusted EPS, excluding the estimated impact of foreign currency translation.

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

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

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.

Delivered another year of strong adjusted earnings growth in 2019

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

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

Expanded margins through productivity gains across all three segments

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

Reported EPS of $3.57, reflecting pension settlement charges

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

Disciplined execution of capital allocation strategy

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

Full Year 2019 Segment Overview and 2020 Outlook

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

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

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

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

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

Targeting continued advancement toward long-term goals in 2020

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

Full Year Segment Sales and Margin Analysis

	FY19 Reported	FY19 Organic
Sales Change:		
Label and Graphic Materials	(2.2%)	1.2%
Retail Branding and Information Solutions	2.3%	5.1%
Industrial and Healthcare Materials	(3.0%)	0.4%
Total Company	(1.2%)	2.0%

	Reported		Adjusted (Non-GAAP)	
	FY19	FY18	FY19	FY18
Operating Margin:				
Label and Graphic Materials	12.7%	11.7%	13.3%	13.0%
Retail Branding and Information Solutions	11.9%	10.6%	12.5%	11.3%
Industrial and Healthcare Materials	8.9%	9.1%	10.3%	8.9%
Total Company	10.9%	10.0%	11.7%	11.0%

On track to achieve our long-term targets through 2021

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

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

Maintaining disciplined approach to capital allocation

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

Fourth Quarter Overview

Fourth quarter reported EPS of $1.92 *(comparison to prior year not meaningful primarily due to Q4-18 impact of pension plan termination)*

Adj. EPS of $1.73, up 14%

Reported sales of $1.77 bil., up 0.2% compared to prior year

- Organic sales growth of 2.1%, with enterprise-wide RFID contributing roughly one point of growth

Reported operating margin decreased 80 bps to 10.2%, reflecting higher restructuring charges associated with next wave of productivity initiatives

- Adjusted operating margin increased 80 bps to 11.9%, primarily due to productivity gains and the net impact of raw material deflation and pricing, partially offset by higher employee-related costs

Sales Trend Analysis

	4Q18	1Q19	2Q19	3Q19	4Q19	FY19
Reported Sales Change	1.9%	(2.0%)	(3.2%)	0.1%	0.2%	(1.2%)
Organic Sales Change	4.8%	2.4%	1.6%	2.1%	2.1%	2.0%
Currency Translation	(2.9%)	(4.4%)	(4.7%)	(2.0%)	(1.9%)	(3.3%)
Reported Sales Change*	1.9%	(2.0%)	(3.2%)	0.1%	0.2%	(1.2%)

* Totals may not sum due to rounding.

Fourth Quarter Segment Sales and Margin Analysis

	4Q19 Reported	4Q19 Organic
Sales Change:		
Label and Graphic Materials	(0.4%)	1.5%
Retail Branding and Information Solutions	3.6%	5.2%
Industrial and Healthcare Materials	(3.1%)	(1.1%)
Total Company	0.2%	2.1%

	Reported		Adjusted (Non-GAAP)	
	4Q19	4Q18	4Q19	4Q18
Operating Margin:				
Label and Graphic Materials	12.0%	12.7%	13.3%	12.9%
Retail Branding and Information Solutions	11.5%	11.6%	13.6%	12.2%
Industrial and Healthcare Materials	7.2%	10.3%	10.2%	9.6%
Total Company	10.2%	11.0%	11.9%	11.1%

Fourth Quarter Segment Overview

LABEL AND GRAPHIC MATERIALS

- Reported sales of $1.18 bil., down 0.4%
  - On organic basis, sales up 1.5%, driven by volume/mix, partially offset by pricing
    - Label and Packaging Materials up low-single digits
    - Combined Graphics and Reflective Solutions down low-single digits
- Reported operating margin declined 70 bps to 12.0% as the benefits of productivity initiatives and the net impact of raw material deflation and pricing were more than offset by higher restructuring charges and unfavorable product mix
  - Adjusted operating margin up 40 bps to 13.3%

Fourth Quarter Segment Overview (cont.)

RETAIL BRANDING AND INFORMATION SOLUTIONS

- Reported sales of $427 mil., up 3.6%
  - On organic basis, sales up 5.2%, driven by continued strength in RFID and external embellishments
- Reported operating margin declined 10 bps to 11.5%, as the benefits from increased volume and productivity were more than offset by higher employee-related costs, restructuring charges, and growth-related investments
  - Adjusted operating margin increased 140 bps to 13.6%

INDUSTRIAL AND HEALTHCARE MATERIALS

- Reported sales of $170 mil., down 3.1%
  - Sales down 1.1% on organic basis, reflecting a mid-single digit decline in healthcare categories, partially offset by a low-single digit increase in industrial categories
- Reported operating margin declined 310 bps to 7.2%, reflecting higher restructuring charges and employee-related costs that more than offset the benefits of productivity gains and strategic pricing initiatives
  - Adjusted operating margin increased 60 bps to 10.2%

2020 EPS Guidance

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

Contributing Factors to 2020 Results

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

Appendix:

Reconciliation of Financial Measures from GAAP to Non-GAAP

Organic Sales Change – Avery Dennison

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

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

Organic Sales Change by Segment

($ in millions)

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

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

Organic Sales Change by Segment - Continued

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

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

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

Adjusted Operating Margin – Avery Dennison

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

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

Adjusted Operating Margin – LGM

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

Adjusted Operating Margin – RBIS

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

Adjusted Operating Margin – IHM

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

Adjusted Net Income

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

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

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

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

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

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

Adjusted EPS

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

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

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

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

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

Adjusted EPS change, constant currency basis

(In millions, except % and per share amounts)

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

Free Cash Flow

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

Return on Total Capital (ROTC)

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

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

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

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

Net Debt to Adjusted EBITDA

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

*LTM = Last twelve months