



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, 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.

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

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.

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

| | 3Q | 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) | | | | |
| | 3Q | 3Q | % | % of Sales | |
| | 2024 | 2023 | Change | 2024 | 2023 |
| Operating income (loss)/operating margins before interest, other non-operating expense (income), and taxes, by segment: | | | | | |
| Materials Group | \$217.8 | \$176.5 | | 14.5% | 12.1% |
| Solutions Group | 66.5 | 50.7 | | 9.7% | 7.9% |
| Corporate expense ⁽²⁾ | (19.9) | (20.3) | | | |
| Total operating income/operating margins before interest, other non-operating expense (income), and taxes | \$264.4 | \$206.9 | 28% | 12.1% | 9.9% |
| Interest expense | \$30.0 | \$31.0 | | | |
| Other non-operating expense (income), net | (\$4.9) | (\$8.7) | | | |
| Income before taxes | \$239.3 | \$184.6 | 30% | 11.0% | 8.8% |
| Provision for income taxes | \$57.6 | \$46.3 | | | |
| Net income | \$181.7 | \$138.3 | 31% | 8.3% | 6.6% |
| Net income per common share, assuming dilution | \$2.25 | \$1.71 | 32% | | |
| 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 ⁽¹⁾ | 346.9 | 324.8 | 1,086.0 | 978.8 |
| Other expense (income), net ⁽¹⁾ | 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 |
| Per share amounts: | | | | |
| 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 |

⁽¹⁾ 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)

| ASSETS | (UNAUDITED) | |
|--|----------------------|----------------------|
| | Sep. 28, 2024 | Sep. 30, 2023 |
| Current assets: | | |
| 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 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| 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 |
| Shareholders' equity: | | |
| 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 |
| Operating Activities | | |
| 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) |
| Net cash provided by operating activities | 587.6 | 514.1 |
| Investing Activities | | |
| 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 ⁽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 | 0.4 | 0.7 |
| Proceeds from insurance and sales (purchases) of investments, net ⁽¹⁾ | 3.6 | (1.0) |
| Payments for acquisitions, net of cash acquired, and venture investments | (1.9) | (203.7) |
| Net cash used in investing activities | (169.5) | (344.2) |
| Financing Activities | | |
| 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) |
| Net cash used in financing activities | (419.8) | (122.7) |
| Effect of foreign currency translation on cash balances | (0.6) | (4.5) |
| Increase (decrease) in cash and cash equivalents | (2.3) | 42.7 |
| Cash and cash equivalents, beginning of year | 215.0 | 167.2 |
| Cash and cash equivalents, end of period | \$ 212.7 | \$ 209.9 |

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

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.

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 |
| Reconciliation of non-GAAP operating and EBITDA margins from GAAP: | | | | |
| 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% |
| 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 ⁽¹⁾ | 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 ⁽¹⁾⁽²⁾ | (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% |
| Reconciliation of non-GAAP net income from GAAP: | | | | |
| As reported net income | \$ 181.7 | \$ 138.3 | \$ 530.9 | \$ 359.9 |
| Adjustments: | | | | |
| Restructuring charges and other items ⁽¹⁾ | 15.3 | 54.1 | 61.6 | 140.2 |
| Argentine interest income ⁽¹⁾ | (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 |

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

⁽²⁾ "Other non-operating expense (income), net" includes Argentine interest income of \$0.3 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 |
| Reconciliation of non-GAAP net income per common share from GAAP: | | | | |
| 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 ⁽¹⁾ | 0.19 | 0.67 | 0.76 | 1.73 |
| Argentine interest income ⁽¹⁾ | --- | (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) |
| Adjusted net income per common share, assuming dilution (non-GAAP) | \$ 2.33 | \$ 2.13 | \$ 7.04 | \$ 5.74 |
| 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.

⁽¹⁾ 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 |
| Reconciliation of adjusted free cash flow: | | | | |
| Net cash provided by operating activities ⁽¹⁾ | \$ 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 ⁽²⁾ | --- | 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 ⁽²⁾ | 1.4 | 0.2 | 3.6 | (1.0) |
| Adjusted free cash flow (non-GAAP) | \$ 219.4 | \$ 309.9 | \$ 420.0 | \$ 373.6 |

⁽¹⁾ 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.

⁽²⁾ 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 |
| TOTAL FROM OPERATIONS | \$ 2,183.4 | \$ 2,098.3 | \$ 264.4 | \$ 206.9 | 12.1% | 9.9% |

RECONCILIATION OF NON-GAAP SUPPLEMENTARY INFORMATION FROM GAAP

| | Third Quarter Ended | | | |
|---|---------------------|----------|-------|-------|
| | 2024 | 2023 | 2024 | 2023 |
| Materials Group | | | | |
| 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 ⁽¹⁾ | 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% |
| Solutions Group | | | | |
| 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% |

⁽¹⁾ 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 |
| TOTAL FROM OPERATIONS | \$ 6,570.0 | \$ 6,253.8 | \$ 780.6 | \$ 562.5 | 11.9% | 9.0% |

RECONCILIATION OF NON-GAAP SUPPLEMENTARY INFORMATION FROM GAAP

| | Nine Months Ended | | | |
|---|-------------------|----------|-------|-------|
| | 2024 | 2023 | 2024 | 2023 |
| Materials Group | | | | |
| 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 ⁽¹⁾ | 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 | --- | --- |
| Adjusted operating income and margins (non-GAAP) | \$ 707.2 | \$ 590.8 | 15.6% | 13.5% |
| Depreciation and amortization | 98.7 | 95.9 | 2.1% | 2.1% |
| Adjusted EBITDA and margins (non-GAAP) | \$ 805.9 | \$ 686.7 | 17.7% | 15.6% |
| Solutions Group | | | | |
| 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% |
| Adjusted operating income and margins (non-GAAP) | \$ 208.1 | \$ 171.5 | 10.3% | 9.2% |
| Depreciation and amortization | 135.3 | 125.5 | 6.6% | 6.8% |
| Adjusted EBITDA and margins (non-GAAP) | \$ 343.4 | \$ 297.0 | 16.9% | 16.0% |

⁽¹⁾ 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 |
| Reconciliation of adjusted EBITDA from GAAP: | | | | |
| As reported net income | \$ 143.1 | \$ 172.4 | \$ 176.8 | \$ 181.7 |
| Adjustments ⁽¹⁾ | 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 |
| 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)

⁽¹⁾ Includes "Other expense (income), net" and other items. Refer to Schedule A-5.

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AVERY DENNISON CORPORATION
PRELIMINARY SUPPLEMENTARY INFORMATION
(UNAUDITED)

Third Quarter 2024

| | Total Company | Materials Group | Solutions Group |
|--|------------------|--------------------|--------------------|
| Reconciliation of organic sales change from GAAP: | | | |
| 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) ⁽¹⁾ | 4.7% | 3.6% | 7.1% |
| Acquisitions | (0.3%) | --- | (1.1%) |
| Organic sales change (non-GAAP)⁽¹⁾ | 4.3% | 3.6% | 6.0% |

⁽¹⁾ Totals may not sum due to rounding.

Nine Months Ended 2024

| | Total Company | Materials Group | Solutions Group |
|--|------------------|--------------------|--------------------|
| Reconciliation of organic sales change from GAAP: | | | |
| 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) ⁽¹⁾ | 5.6% | 3.7% | 10.1% |
| Acquisitions | (0.8%) | --- | (2.6%) |
| Organic sales change (non-GAAP)⁽¹⁾ | 4.8% | 3.7% | 7.5% |

⁽¹⁾ Totals may not sum due to rounding.