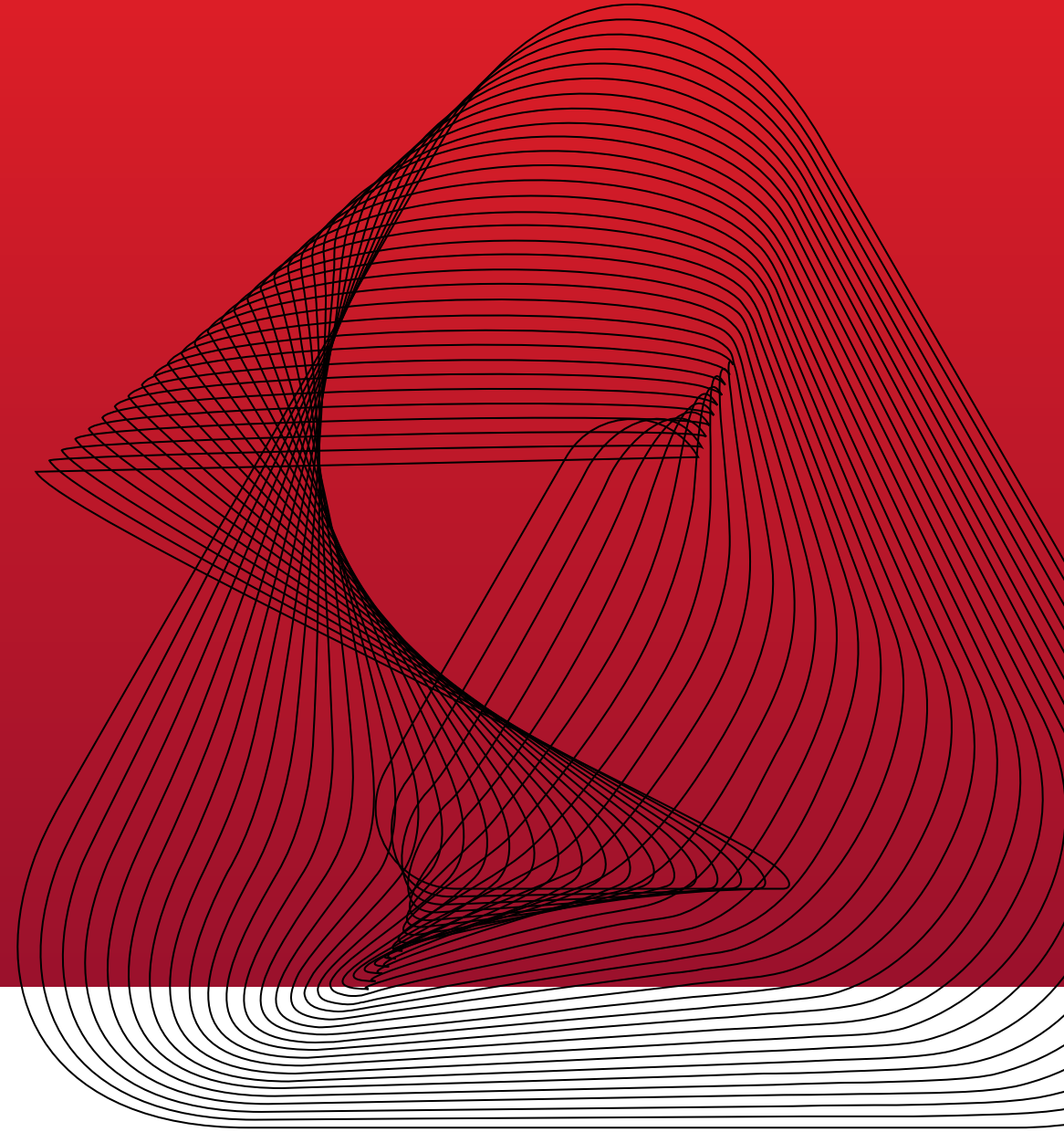


Avery Dennison Company Profile

2024



Our Story

Ray Stanton (“Stan”)
Avery invented the world’s first self-adhesive label as a way to merchandise objects.



In 1935, he founded Avery Adhesives in downtown Los Angeles and, in 1990, the company merged with Dennison Manufacturing to form Avery Dennison.

Over the past 89 years, we have grown from one bright idea into a global Fortune 500® corporation that continues to advance quality and innovation in materials science and digital identification solutions.



Who We Are

Avery Dennison 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.

Headquarters

**Mentor, Ohio,
USA**

Employees worldwide

~34,000

Operations in more than

50 countries

Sales in 2023

\$8.4 billion

Fortune rank as of the end of 2023

421

Our Businesses at a Glance

Materials Group

\$5.8 bil. ⁽¹⁾

Pressure-sensitive materials

- Label materials (LPM)
- Graphic and reflective materials
- Functional materials (e.g., tapes)



Solutions Group

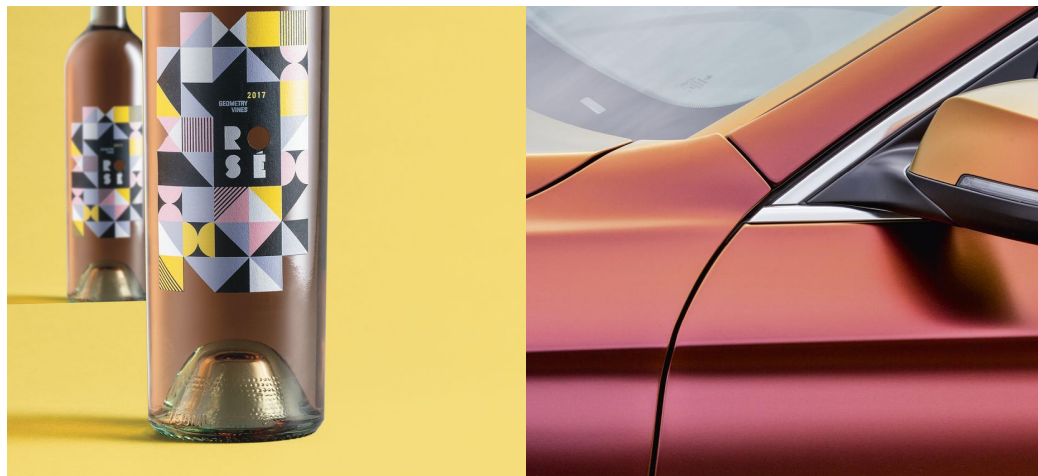
\$2.6 bil. ⁽¹⁾

- RFID solutions
- Branded tag and embellishment solutions
- Data management and identification solutions
- Pricing and productivity solutions



(1) FY 2023 Net Sales

Materials Group



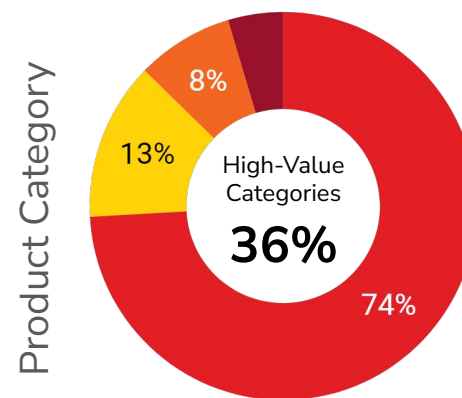
2023 Financial Snapshot

Revenue	\$5.8 bil.
Sales Change Ex. Currency 5-YR CAGR	2.5%
Adj. EBITDA Margin	15.8%

AVY 2023 Sales by Segment

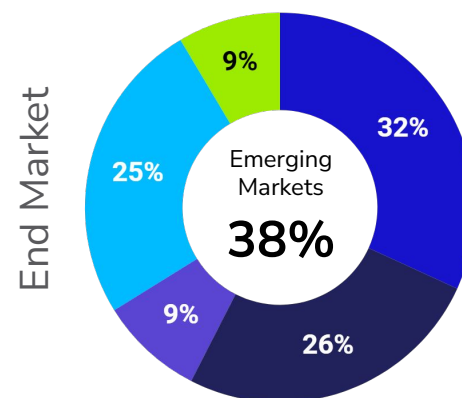
Materials Group
69%

Solutions Group
31%



Materials Group 2023 Sales by Product

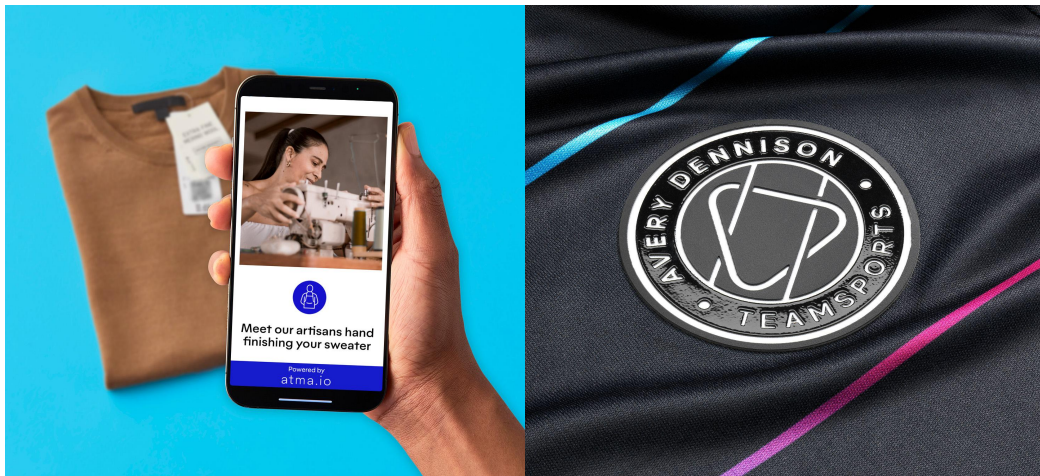
- Label Materials
- Graphics & Reflectives
- Performance Tapes & Medical
- Other



Materials Group 2023 Sales by Geography

- U.S. & Canada
- Western Europe
- E. Europe & MENA
- Asia Pacific
- Latin America

Solutions Group



2023 Financial Snapshot

Revenue	\$2.6 bil.
Sales Change Ex. Currency 5-YR CAGR	11.0%
Adj. EBITDA Margin	16.6%

AVY 2023 Sales by Segment

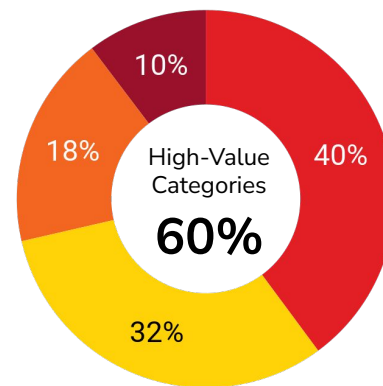
Materials Group

69%

Solutions Group

31%

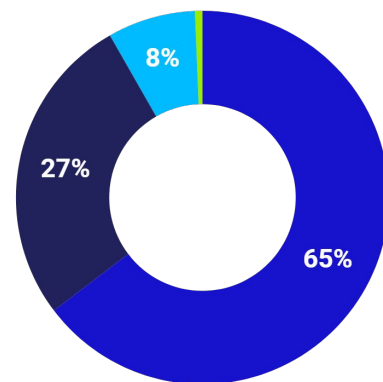
Product Category



Solutions Group 2023 Sales by Product

- Base Solutions
- Intelligent Labels
- Vestcom
- Ext. Embellishments

End Market



Solutions Group 2023 Sales by Geography

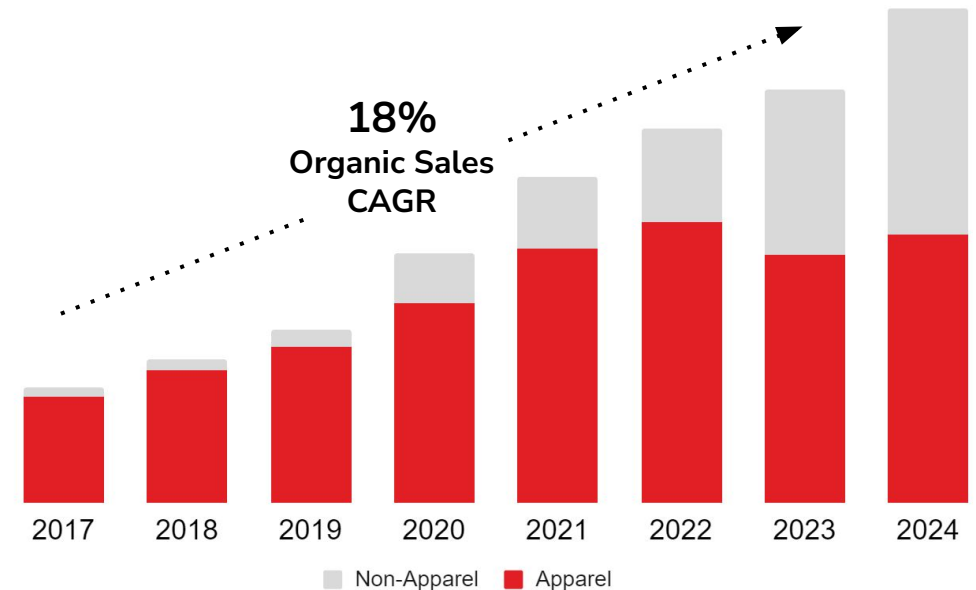
- U.S. & Canada
- Europe
- Asia Pacific
- Latin America

Intelligent Labels

Intelligent labels leverage RFID technology to provide solutions that enable omnichannel retail, more efficient supply chains, enhanced consumer experience and less waste.



- Industry-leading position; 50%+ UHF RFID share
- Targeting 20%+ growth in 2024
- Clear innovation leader
- Investing in capacity and market development



Our Competitive Advantages

- Global scale; ~200 operating locations
Recognized industry leader with a global footprint, including a strong presence in emerging markets
- Materials science expertise; vertically integrated in adhesives
- Advanced process technology
- Operational and commercial excellence
- Industry-leading innovations enabling functionality and sustainability



Our Values



Integrity

We are driven by doing the right thing. Always.



External Focus

We get out to get better.



Sustainability

We are focused on the long-term health of our business, planet and communities.



Diversity

We gain strength from diverse ideas and inclusive teams.



Teamwork

We are better when we work together and put others ahead of ourselves.



Innovation

We use imagination and intellect to create new possibilities.



Courage

We are brave in the face of adversity and the unknown.



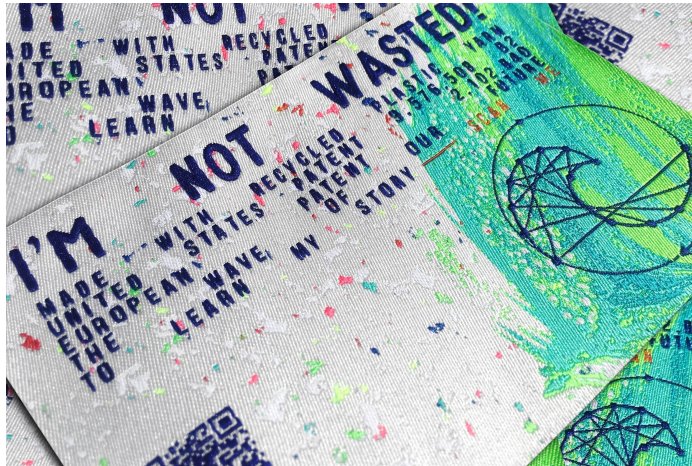
Excellence

We expect the best from ourselves and each other.



Making a Material Difference

We are a force for good embedded in industries and communities worldwide.



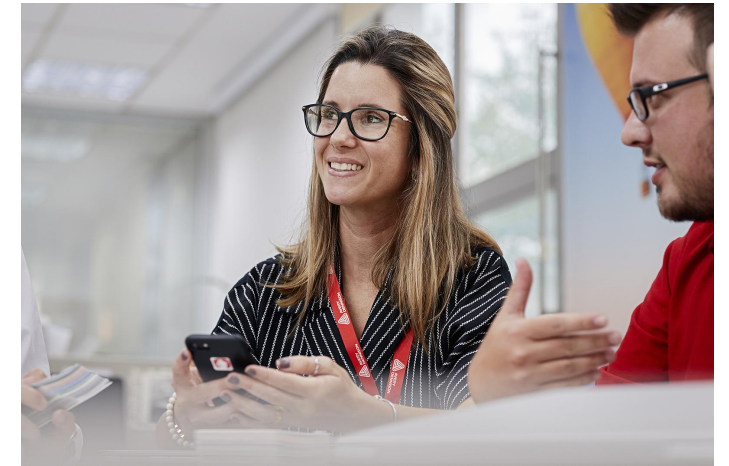
Sustainable Products

We invent products and processes that make our customers' operations and products more sustainable.



Corporate Social Responsibility

The Avery Dennison Foundation supports communities globally to increase education access, advance environmental sustainability, and support secure livelihoods.



Diversity, Equity and Inclusion

We believe that we gain strength from diverse ideas and teams. We are committed to ensuring an inclusive and equitable environment for people of all backgrounds.

Our Sustainability Goals

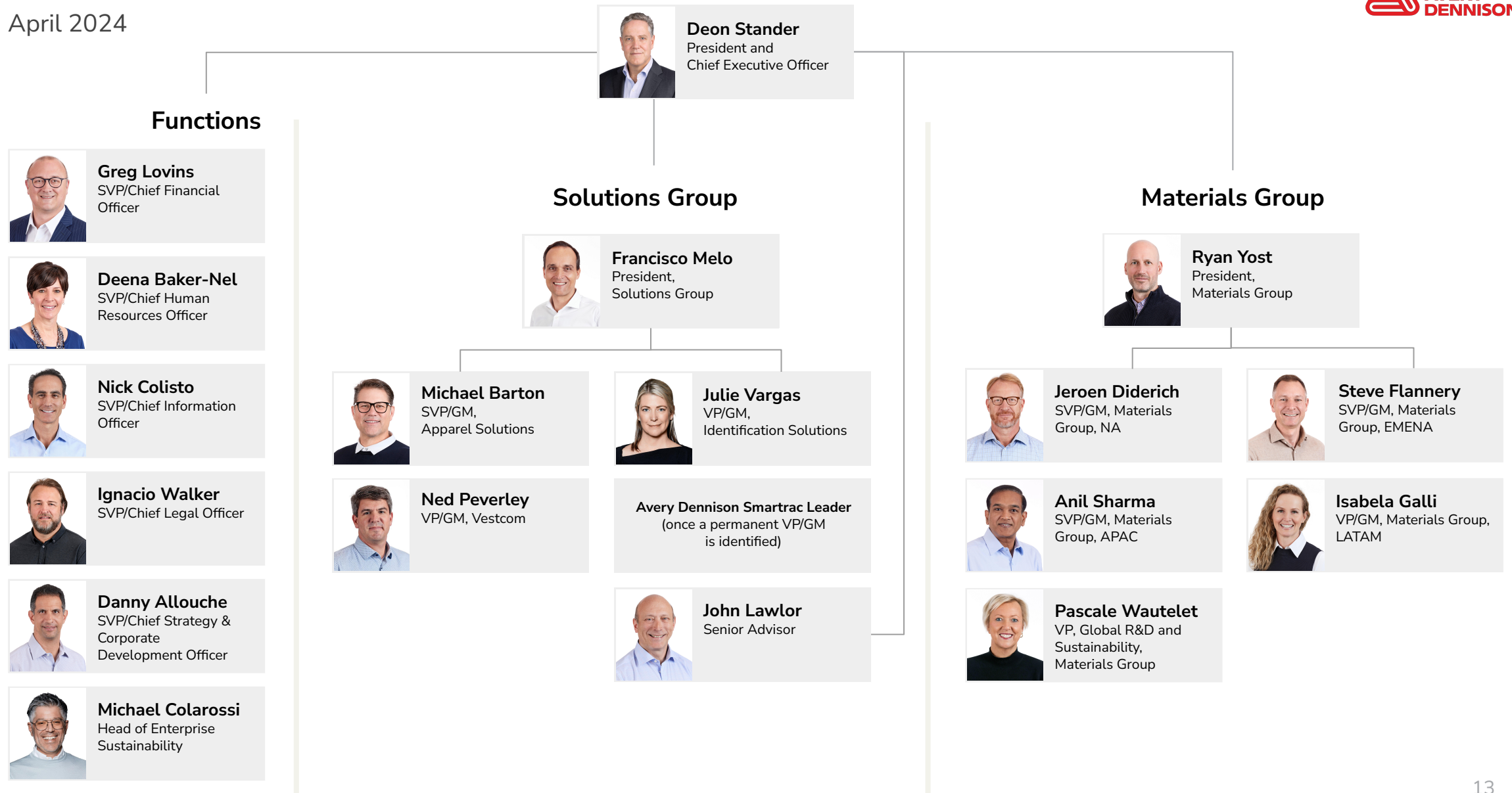
2030 Goals	2030 Targets
 <p>Deliver innovations that advance the circular economy</p>	<p>Satisfy the recycling, composting or reuse requirements of all single-use consumer packaging and apparel with our products and solutions.</p> <p>Solutions Group: 100% of core product categories will meet our third-party verified Sustainable ADvantage Standard</p> <p>Materials Group: 100% of our standard label products will contain recycled or renewable content. All of our regions will have labels that enable circularity of plastics.</p>
 <p>Reduce the environmental impact in our operations and supply chain</p>	<p>Reduce our emissions by 70% and reduce Scope 3 emissions by 30% by 2030—with an ambition of net zero by 2050.</p> <p>Source 100% of paper fiber from certified sources</p> <p>Divert 95% of our waste away from landfills, with a minimum of 80% of our waste recycled</p> <p>Deliver a 15% increase in water efficiency at our sites that are located in high or extremely high risk countries</p>
 <p>Make a positive social impact by enhancing the livelihood of our people and communities</p>	<p>Foster an engaged team and inclusive workplace by ensuring our employees represent the community in which they live and work. Metrics:</p> <p>85% inclusion index, 82%+ employee engagement, 40% women in manager level or above positions, safety 0.2 RIR</p> <p>Support the participation of our employees in Avery Dennison Foundation grants and foster the well-being of the communities in which we and our supply chain operate.</p>

To learn more, visit esg.averydennison.com

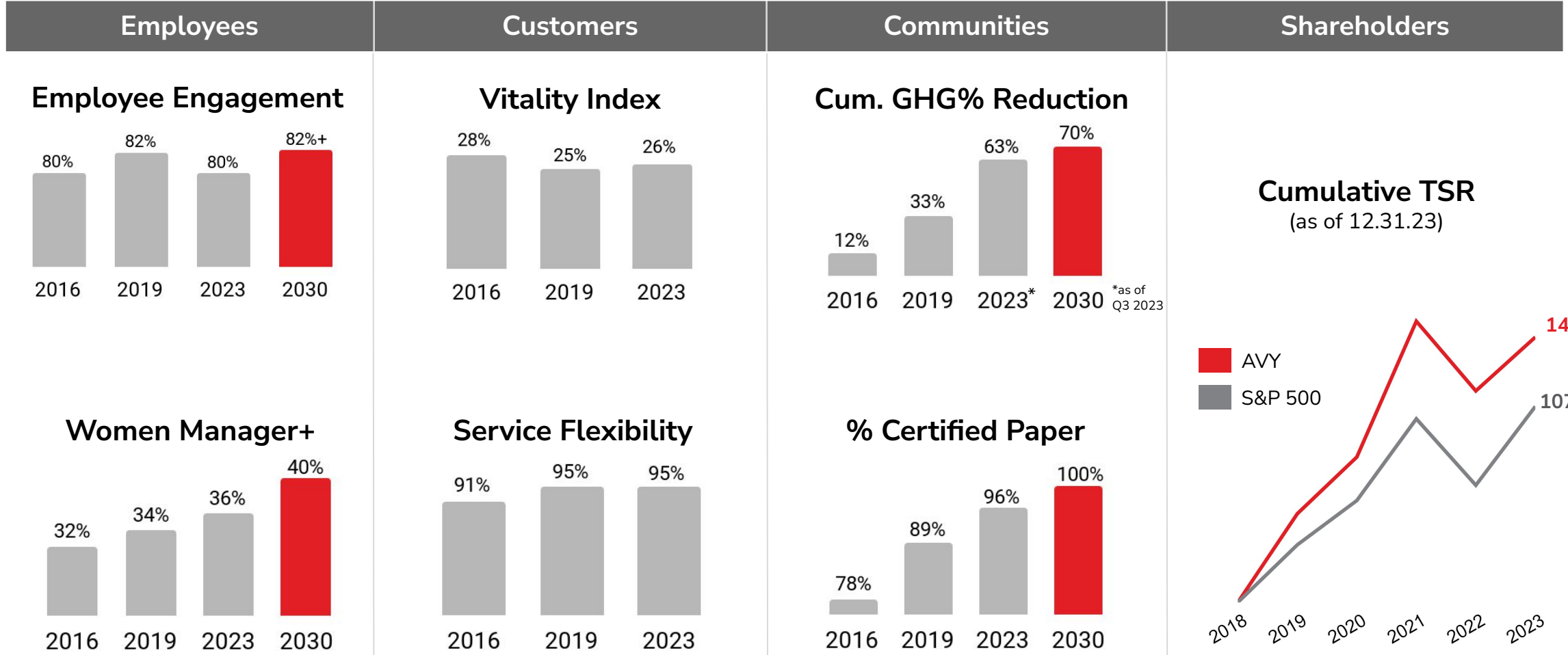
Appendix

Company Leadership Team

April 2024



ESG: Measuring Progress for Key Stakeholders

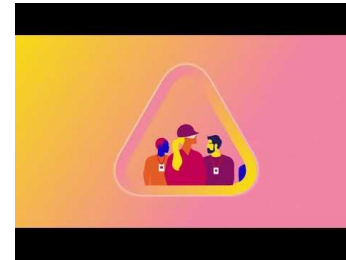


Company Videos



Company Vision

[Avery Dennison Vision Video >](#)



Diversity, Equity & Inclusion

[Every Voice. Every Day >](#)



Our Values

[Eight Values. One Team >](#)



Sustainability

[Towards a More Sustainable Future >](#)



Careers Video

[You Make the Difference >](#)



Company History

[Gentle Giant >](#)

Use of Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures as defined by SEC rules. We report our financial results in conformity with accounting principles generally accepted in the United States of America, or GAAP, and also communicate with investors using certain non-GAAP financial measures. These non-GAAP financial measures are not in accordance with, nor are they a substitute for or superior to, the comparable GAAP financial measures. These non-GAAP financial measures are intended to supplement the presentation of our financial results prepared in accordance with GAAP. We use these non-GAAP financial measures internally to evaluate trends in our underlying performance, as well as to facilitate comparison to 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.

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

We use the non-GAAP financial measures described below in this presentation.

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

We believe that adjusted EBITDA margin assists investors in understanding our core operating trends and comparing our results with those of our competitors.

Sales Change Ex. Currency and Organic Sales Change by Segment

(\$ in millions)						2018-2023 ⁽²⁾
Materials Group	2019	2020	2021	2022	2023	5-Yr CAGR
Net sales	\$ 5,419.8	\$ 5,340.6	\$ 6,206.5	\$ 6,495.1	\$ 5,811.3	
Reported net sales change	(2.3%)	(1.5%)	16.2%	4.6%	(10.5%)	
Reclassification of sales between segments	(0.2%)			0.3%	0.1%	
Foreign currency translation	3.8%	1.0%	(3.6%)	6.0%	0.1%	
Extra week impact		(1.1%)	1.3%			
Sales change ex. currency ⁽¹⁾	1.4%	(1.6%)	13.9%	11.0%	(10.4%)	2.5%
Acquisitions/Divestitures			(1.1%)	0.2%		
Organic sales change ⁽¹⁾	1.4%	(1.6%)	12.8%	11.2%	(10.4%)	2.3%

(\$ in millions)						2018-2023 ⁽²⁾
Solutions Group	2019	2020	2021	2022	2023	5-Yr CAGR
Net sales	\$ 1,650.3	\$ 1,630.9	\$ 2,201.8	\$ 2,544.2	\$ 2,553.0	
Reported net sales change	2.3%	(1.2%)	35.0%	15.6%	0.3%	
Reclassification of sales between segments	0.6%			(0.7%)	(0.2%)	
Foreign currency translation	2.2%	0.6%	(2.2%)	4.2%	2.1%	
Extra week impact		(1.7%)	2.1%			
Sales change ex. currency ⁽¹⁾	5.1%	(2.3%)	34.9%	19.1%	2.2%	11.0%
Acquisitions/Divestitures		(7.2%)	(9.7%)	(14.1%)	(3.0%)	
Organic sales change ⁽¹⁾	5.1%	(9.5%)	25.2%	5.0%	(0.8%)	4.4%

(1) Totals may not sum due to rounding

(2) Percentages reflect five-year compound annual growth rates, with 2018 as the base period.

Adjusted Operating Margin and EBITDA – Materials Group

Materials Group

(\$ in millions)

	2019	2020	2021	2022	2023
Net sales	\$5,419.8	\$5,340.6	\$6,206.5	\$6,495.1	\$5,811.3
Operating income before interest expense, other non-operating expense (income), and taxes, as reported	\$ 661.5	\$ 747.0	\$ 883.3	\$ 859.3	\$ 700.9
Operating margins, as reported	12.2%	14.0%	14.2%	13.2%	12.1%
<u>Non-GAAP adjustments:</u>					
Restructuring charges:					
Severance and related costs	\$ 33.8	\$ 31.7	\$ 2.8	\$ (1.0)	\$ 49.9
Asset impairment and lease cancellation charges	\$ 4.6	\$ 4.6	\$ 2.2	\$ -	\$ 2.5
Other items	\$ (0.7)	\$ (5.7)	\$ (30.7)	\$ (12.4)	\$ 35.9
Adjusted operating income (non-GAAP)	\$ 699.2	\$ 777.6	\$ 857.6	\$ 845.9	\$ 789.2
Adjusted operating margins (non-GAAP)	12.9%	14.6%	13.8%	13.0%	13.6%
Depreciation & Amortization	\$ 126.4	\$ 133.7	\$ 141.9	\$ 135.8	\$ 127.8
Adjusted EBITDA (non-GAAP)	\$ 825.6	\$ 911.3	\$ 999.5	\$ 981.7	\$ 917.0
Adjusted EBITDA margins (non-GAAP)	15.2%	17.1%	16.1%	15.1%	15.8%

Adjusted Operating Margin and EBITDA – Solutions Group

Solutions Group

(\$ in millions)

	2019	2020	2021	2022	2023
Net sales	\$1,650.3	\$1,630.9	\$2,201.8	\$2,544.2	\$2,553.0
Operating income before interest expense, other non-operating expense (income), and taxes, as reported	\$ 196.6	\$ 144.7	\$ 257.2	\$ 302.3	\$ 165.7
Operating margins, as reported	11.9%	8.9%	11.7%	11.9%	6.5%
<u>Non-GAAP adjustments:</u>					
Restructuring charges:					
Severance and related costs	\$ 9.3	\$ 17.1	\$ 6.7	\$ 7.8	\$ 19.9
Asset impairment and lease cancellation charges	\$ 0.5	\$ 1.6	\$ 0.9	\$ 0.1	\$ 3.3
Other items	\$ 0.1	\$ 4.0	\$ 29.0	\$ (0.1)	\$ 63.1
Adjusted operating income (non-GAAP)	\$ 206.5	\$ 167.4	\$ 293.8	\$ 310.1	\$ 252.0
Adjusted operating margins (non-GAAP)	12.5%	10.3%	13.3%	12.2%	9.9%
Depreciation & Amortization	\$ 52.6	\$ 71.6	\$ 102.2	\$ 154.9	\$ 170.6
Adjusted EBITDA (non-GAAP)	\$ 259.1	\$ 239.0	\$ 396.0	\$ 465.0	\$ 422.6
Adjusted EBITDA margins (non-GAAP)	15.7%	14.7%	18.0%	18.3%	16.6%

Contact Us

Have a question or comment regarding this corporate profile?
Send an email to info@averydennison.com



Presentation updated March 2024



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