

Second Quarter 2026 Financial Review and Analysis

(preliminary, unaudited)

July 30, 2026

Supplemental Presentation Materials

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

Safe Harbor Statement

Certain statements contained in this document are "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements, and financial or other business targets, are subject to certain risks and uncertainties. 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, tariffs, geopolitical 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, geopolitical and market conditions; changes in geopolitical conditions, including those related to trade relations and tariffs, China, recent conflicts involving the U.S., Israel and Iran and related hostilities in the Middle East, the Russia-Ukraine war, the Israel-Hamas war; 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, and customer preferences; environmental regulations and sustainability trends; the impact of competitive products and pricing; the execution and integration of acquisitions; selling prices; customer and supplier concentrations or consolidations; the financial condition of distributors; outsourced manufacturers; product and service quality claims; restructuring and other cost reduction actions; our ability to generate sustained productivity improvement and our ability to achieve and sustain targeted cost reductions; the timely development and market acceptance of new products, including sustainable or sustainably-sourced products; our investment in development activities and new production facilities; the collection of receivables from customers; and our sustainability and governance practices
- Information Technology – disruptions in information technology systems; cybersecurity events 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; outcome of tax audits; and the realization of deferred tax assets
- Human Capital – recruitment and retention of employees and collective labor arrangements
- Our Indebtedness – our ability to obtain adequate financing arrangements and maintain access to capital; credit rating risks; fluctuations in interest rates; 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 our intellectual property; the impact of legal and regulatory proceedings, including with respect to 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 2025 Form 10-K, filed with the Securities and Exchange Commission on February 25, 2026, and subsequent quarterly reports on Form 10-Q.

The forward-looking statements included in this document are made only as of the date of this document, and we undertake no obligation to update these statements to reflect subsequent events or circumstances, other than as may be required by law.

Use of Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures as defined by SEC rules. We report our financial results in conformity with accounting principles generally accepted in the United States of America, or GAAP, and also communicate with investors using certain non-GAAP financial measures. These non-GAAP financial measures are not in accordance with, nor are they a substitute for or superior to, the comparable GAAP financial measures. These non-GAAP financial measures are intended to supplement the presentation of our financial results prepared in accordance with GAAP. We use these non-GAAP financial measures internally to evaluate trends in our underlying performance, as well as to facilitate comparisons with the results of competitors for quarters and year-to-date periods, as applicable. Based on feedback from investors and financial analysts, we believe that the supplemental non-GAAP financial measures we provide are also useful to their assessments of our performance and operating trends, as well as liquidity. In accordance with Regulations G and S-K, reconciliations of non-GAAP financial measures from the most directly comparable GAAP financial measures, including limitations associated with these non-GAAP financial measures, are provided in the appendix to this document and/or the financial schedules accompanying the earnings news release for the quarter (see Attachments A-4 through A-8 to news release dated July 30, 2026).

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 and other investments, currency adjustments due to highly inflationary economies, and other items), we believe that we are providing meaningful supplemental information that facilitates an understanding of our core operating results and liquidity measures. While some of the items we exclude from GAAP financial measures recur, they tend to be disparate in amount, frequency or timing.

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

- **Sales change ex. currency** refers to the increase or decrease in net sales, excluding the estimated impact of foreign currency translation, and, where applicable, currency adjustments for transitional reporting of highly inflationary economies and the reclassification of sales between segments. Additionally, where applicable, sales change ex. currency is also adjusted for the estimated impact of extra days in our fiscal year and the calendar shift resulting from extra days in the prior fiscal year. 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. Our 2025 fiscal year began on December 29, 2024 and ended on December 31, 2025; fiscal years 2026 and beyond are coincident with the calendar year, beginning on January 1 and ending on December 31.
- **Organic sales change** refers to sales change ex. currency, excluding the estimated impact of acquisitions and product line divestitures.

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

We believe that the following measures assist investors in understanding our core operating trends and comparing our results with those of our competitors.

- **Adjusted operating income** refers to net income adjusted for taxes; other expense (income), net; interest expense; and other non-operating expense (income), net.
- **Adjusted EBITDA** refers to adjusted operating income before depreciation and amortization.
- **Adjusted operating margin** refers to adjusted operating income as a percentage of net sales.
- **Adjusted EBITDA margin** refers to adjusted EBITDA as a percentage of net sales.
- **Adjusted tax rate** refers to the projected full-year GAAP tax rate, adjusted to exclude certain unusual or infrequent events that are expected to significantly impact that rate, such as effects of certain discrete tax planning actions, impacts related to enactments of tax law changes, and other items.
- **Adjusted net income** refers to income before taxes, tax-effected at the adjusted tax rate, and adjusted for tax-effected restructuring charges and other items.
- **Adjusted net income per common share, assuming dilution (adjusted EPS)** refers to adjusted net income divided by the weighted average number of common shares outstanding, assuming dilution.
- **Net debt to adjusted EBITDA ratio** refers to total debt (including finance leases) less cash and cash equivalents, divided by adjusted EBITDA for the last twelve months. We believe that the net debt to adjusted EBITDA ratio assists investors in assessing our leverage position.
- **Adjusted free cash flow** refers to cash flow provided by (used in) operating activities, less payments for property, plant and equipment, less payments for 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. Where applicable, adjusted free cash flow is also adjusted for certain acquisition-related transaction costs, proceeds from company-owned life insurance policies and net cash used for Argentine Blue Chip Swap securities. We believe that adjusted free cash flow assists investors by showing the amount of cash we have available for debt reductions, dividends, share repurchases and acquisitions.
- **Adjusted free cash flow conversion** refers to adjusted free cash flow divided by net income. We believe this measure assists investors in evaluating how efficiently we convert our net income into adjusted free cash flow.

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 strong sales, earnings, and cash flow growth

Strong Q2 Results

Adj. EPS (non-GAAP) of \$2.89, well above expectations and up 19% vs. prior year

- Organic sales growth (non-GAAP) of 8%, driven by strong volume
- Adj. EBITDA margin (non-GAAP) of 17.1%, up 50 bps
- Estimate that customer inventory stocking provided ~half our organic sales growth and ~\$0.25 of EPS

Strength & Durability of Franchise

- High-value categories (HVC) organic sales up mid-single digits
- Base categories organic sales up low double digits with strong growth in base labels
- Continuing to deliver strong productivity
- Leveraging playbook to mitigate inflationary pressures

Disciplined Capital Allocation

- Generated robust adj. FCF (non-GAAP) of \$365 mil.
- Returned \$347 mil. to shareholders YTD through \$198 mil. of share repurchases and \$149 mil. of dividends

FY 2026 Outlook

Expected Adj. EPS of \$10.00 to \$10.30

- Assumes the customer inventory stocking from 1H'26 will largely unwind in 2H'26
- Expect 3-4% organic sales growth

Second quarter 2026 financial review

Net sales of \$2.5 bil.

Sales change ex. currency (non-GAAP) up 8.9%

Organic sales growth of 7.6%

Reported EPS of \$2.67

Adj. EPS of \$2.89, up 19%

Reported operating income of \$314 mil.

- Adj. EBITDA margin of 17.1%, up 50 bps
- Adj. operating margin (non-GAAP) of 13.6%, up 70 bps

Strong adj. FCF of \$365 mil.

Returned \$214 mil. to shareholders through share repurchases and dividends

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

- Net debt to adj. EBITDA ratio (non-GAAP) of 2.3

Materials Group

Reported sales increased 15.9% to \$1.8 bil.

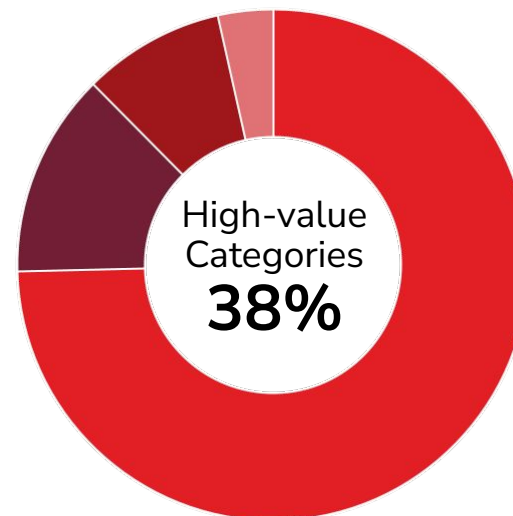
Sales up 9.7% organically

- Volume/mix growth of high single digits and price up low single digits
- High-value categories up mid-single digits
- Base categories up low double digits

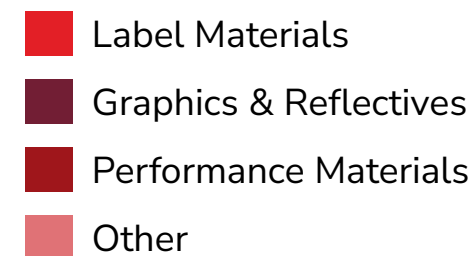
Reported operating margin of 15.6%

- Adj. operating margin of 15.8%, up 20 bps
- Adj. EBITDA margin of 18.0%, up 20 bps
 - Volume, productivity and net benefit of pricing and raw material costs, including raw material re-engineering, were partially offset by mix and higher employee-related costs

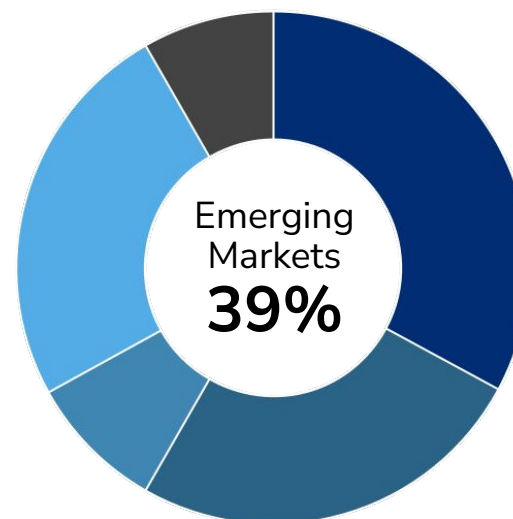
Product Category



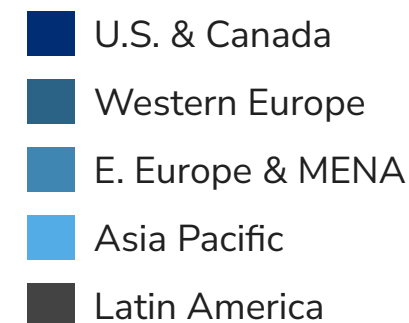
2025 Sales by Product



Est. End Market



2025 Sales by Geography



Solutions Group

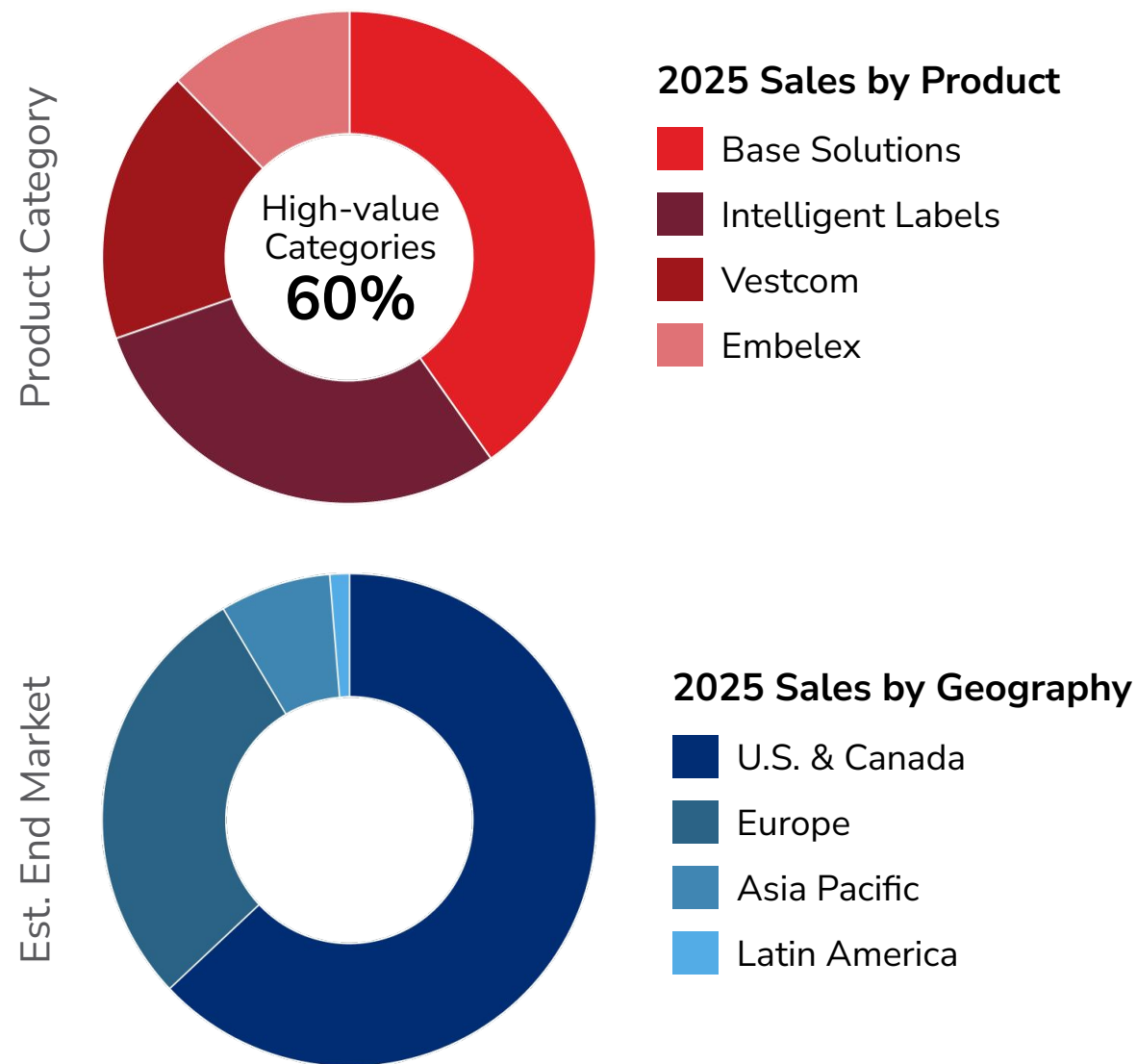
Reported sales decreased 0.5% to \$667 mil.

Sales up 2.6% organically

- High-value categories up low single digits
- Base categories up low single digits
- Overall apparel categories up high single digits

Reported operating margin of 8.9%

- Adj. operating margin of 11.5%, up 150 bps
- Adj. EBITDA margin of 18.6%, up 150 bps
 - Productivity was partially offset by higher employee-related costs



Enterprise-wide Intelligent Labels

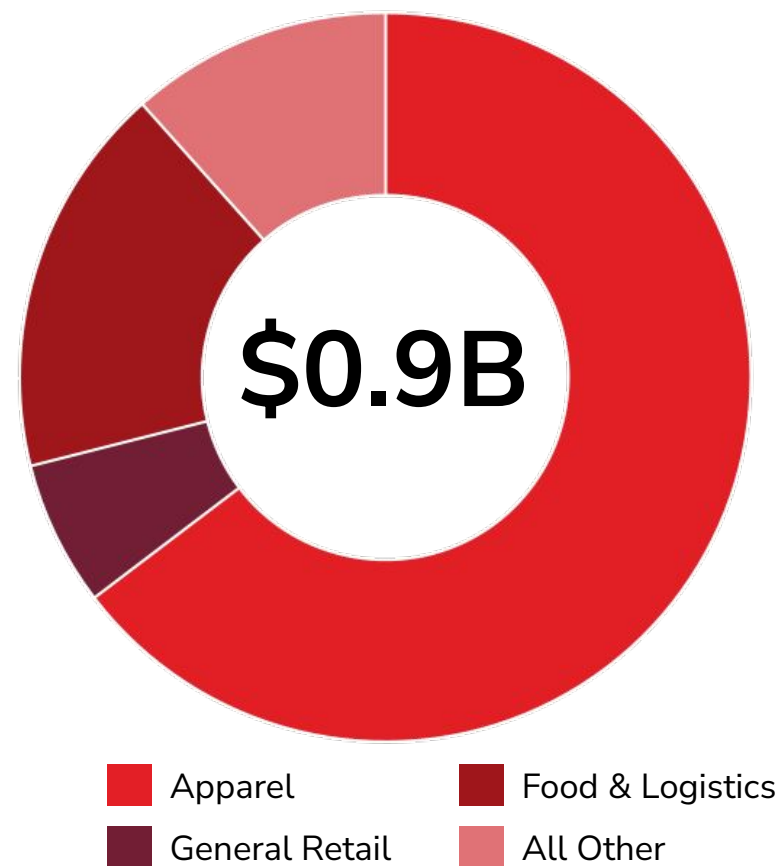
Overall Results:

- Q2 sales up low single digits on organic basis; in line with our expectations
 - Apparel and general retail up approximately 10% on apparel program expansions and recovery in general retail
 - Food and logistics down double digits on soft logistics customer demand and lapping outsized share gains in 2025

Key End Segment Insights for 2026:

- **Apparel and general retail:** Expect growth in 2026 driven by apparel new program expansions and general retail recovery
- **Food:** Anticipate acceleration in Food category; assuming largest U.S. grocery retailer rollout beginning in 2H and expanding pilots with new customers
- **Logistics:** Lapping outsized growth and share in 2025; expanding pilots with additional customers in 2026

2025 Sales by Category



FY 2026 EPS Guidance

	<u>Low</u>	<u>High</u>
Reported EPS	\$9.40	\$9.70
Est. other items & restructuring costs	~\$0.60	~\$0.60
Adjusted EPS	\$10.00	\$10.30

For FY 2026, anticipate adj. EPS of \$10.00-\$10.30

- Reported sales growth of 5-6% and organic sales growth of 3-4%
 - ~1.5% benefit from currency translation, ~1% benefit from acquisition, and 0.4% headwind from the calendar adjustment

Additional full-year considerations

- ~\$0.30 net EPS tailwind from benefits of currency translation and lower share count, partially offset by higher adjusted tax rate and interest expense (previously ~\$0.25)
- Incremental savings of >\$60 mil. from restructuring actions (previously >\$55 mil.)
- Majority of 2025 temporary savings, largely incentive compensation, expected to be headwind
- Targeting ~100% adj. FCF conversion; fixed and IT capital spend of ~\$260 mil.
- Assuming the majority of customer inventory destocking occurs in Q3, anticipate greater than historical sequential earnings decline in Q3

Appendix

Summary Information & Reconciliation of Non-GAAP Financial Measures from GAAP

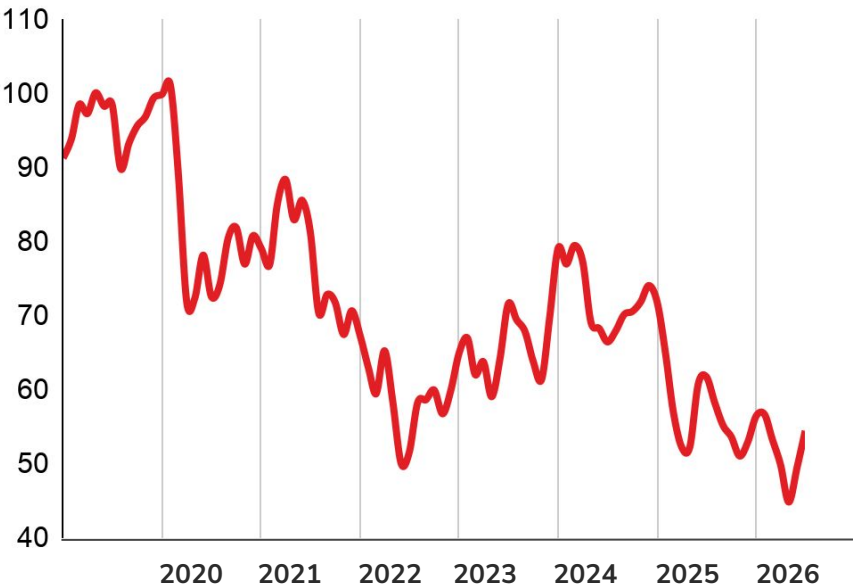
Economic Conditions Dashboard

July 2026 Outlook and Change vs. Jan'26 Outlook

	Real GDP		Retail volume		CPI	
	Fcst	Chg.	Fcst	Chg.	Fcst	Chg.
U.S.	2.0%	-0.4%	1.1%	0.0%	3.4%	0.9%
Europe	0.9%	-0.5%	0.6%	-0.1%	4.2%	1.0%
APAC	3.9%	-0.1%	2.0%	-1.4%	2.2%	0.6%
Latin Am.	1.9%	-0.3%	1.7%	0.2%	6.7%	0.4%
World	2.3%	-0.5%	1.1%	-0.5%	3.8%	0.9%

Source: S&P Global Market Intelligence

U.S. Consumer Sentiment



Source: University of Michigan

Second quarter 2026 sales change

	Total Company	Materials Group	Solutions Group
Net sales change	10.9%	15.9%	(0.5)%
Reclass. of sales between segments	-	(1.7)%	3.8%
Foreign currency translation	(2.0)%	(2.6)%	(0.6)%
Sales change ex. currency⁽¹⁾	8.9%	11.5%	2.6%
Acquisitions	(1.3)%	(1.8)%	-
Organic sales change⁽¹⁾	7.6%	9.7%	2.6%

(1) Totals may not sum due to rounding

Quarterly sales trend analysis

	2Q25	3Q25	4Q25	1Q26	2Q26
Net sales change	(0.7)%	1.5%	3.9%	7.0%	10.9%
Foreign currency translation	(0.3)%	(1.7)%	(1.7)%	(4.7)%	(2.0)%
Impact of extra days	-	-	(1.5)%	-	-
Sales change ex. currency⁽¹⁾	(1.0)%	(0.2)%	0.6%	2.3%	8.9%
Acquisitions	-	-	(0.8)%	(1.2)%	(1.3)%
Organic sales change⁽¹⁾	(1.0)%	(0.2)%	(0.2)%	1.1%	7.6%
Materials Group organic sales change	(1.0)%	(1.9)%	(0.9)%	1.9%	9.7%
Solutions Group organic sales change	(0.8)%	3.6%	1.3%	(0.9)%	2.6%

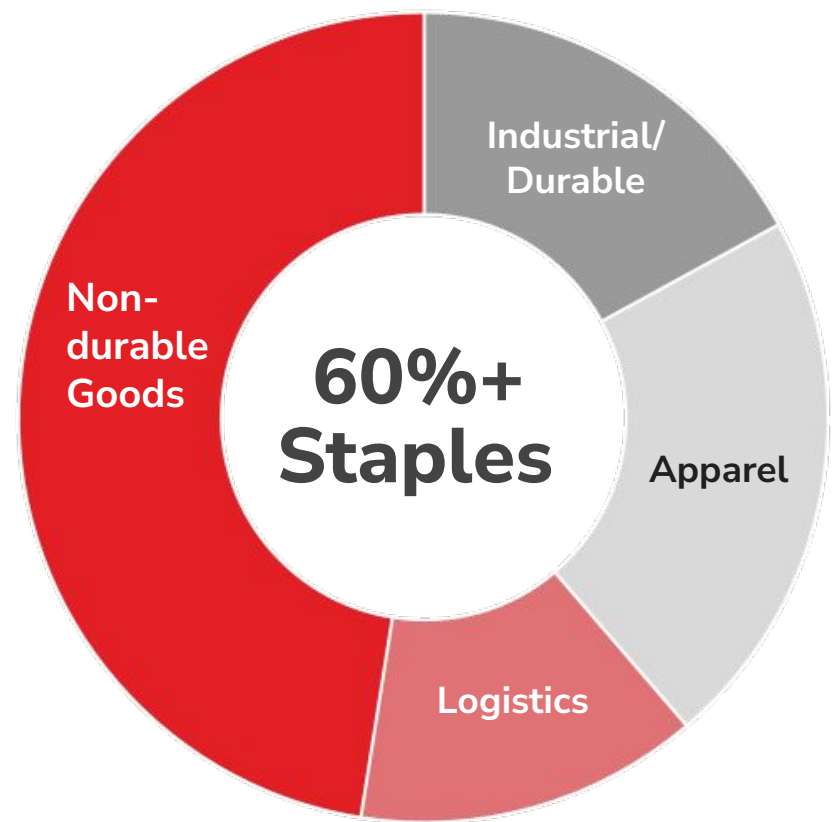
(1) Totals may not sum due to rounding

Second quarter 2026 margin comparisons

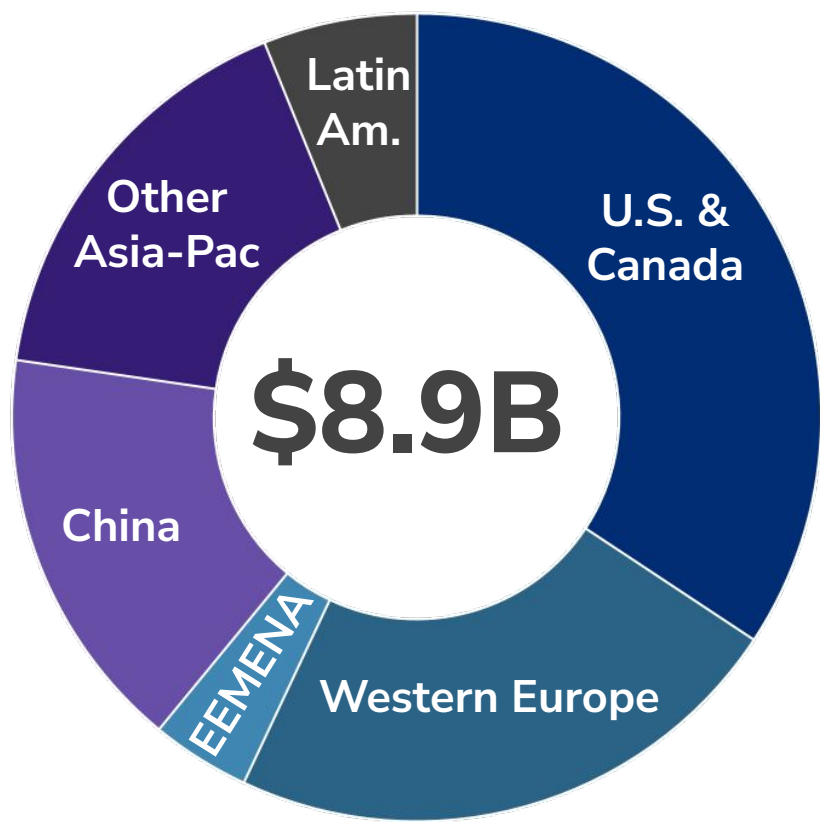
	Reported Operating Margin		Adjusted Operating Margin		Adjusted EBITDA Margin	
	2Q26	2Q25	2Q26	2Q25	2Q26	2Q25
Materials Group	15.6%	16.1%	15.8%	15.6%	18.0%	17.8%
Solutions Group	8.9%	8.9%	11.5%	10.0%	18.6%	17.1%
Total Company	12.7%	12.9%	13.6%	12.9%	17.1%	16.6%

Broad exposure to diverse markets across portfolio

Est. 2025 Sales by End Market



2025 Sales by Manufacturing Location



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