



**AVERY  
DENNISON**

# Investor Presentation

February 2026

**MAKING POSSIBLE™**

## Forward-Looking Statements

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, the Russia-Ukraine war, 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, 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 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 2024 Form 10-K, filed with the Securities and Exchange Commission on February 26, 2025, and subsequent quarterly reports on Form 10-Q.

**The forward-looking statements included in this document are made only as of the date of our most recent earnings release (February 4, 2026), and we undertake no obligation to update these statements to reflect subsequent events or circumstances, other than as may be required by law.**

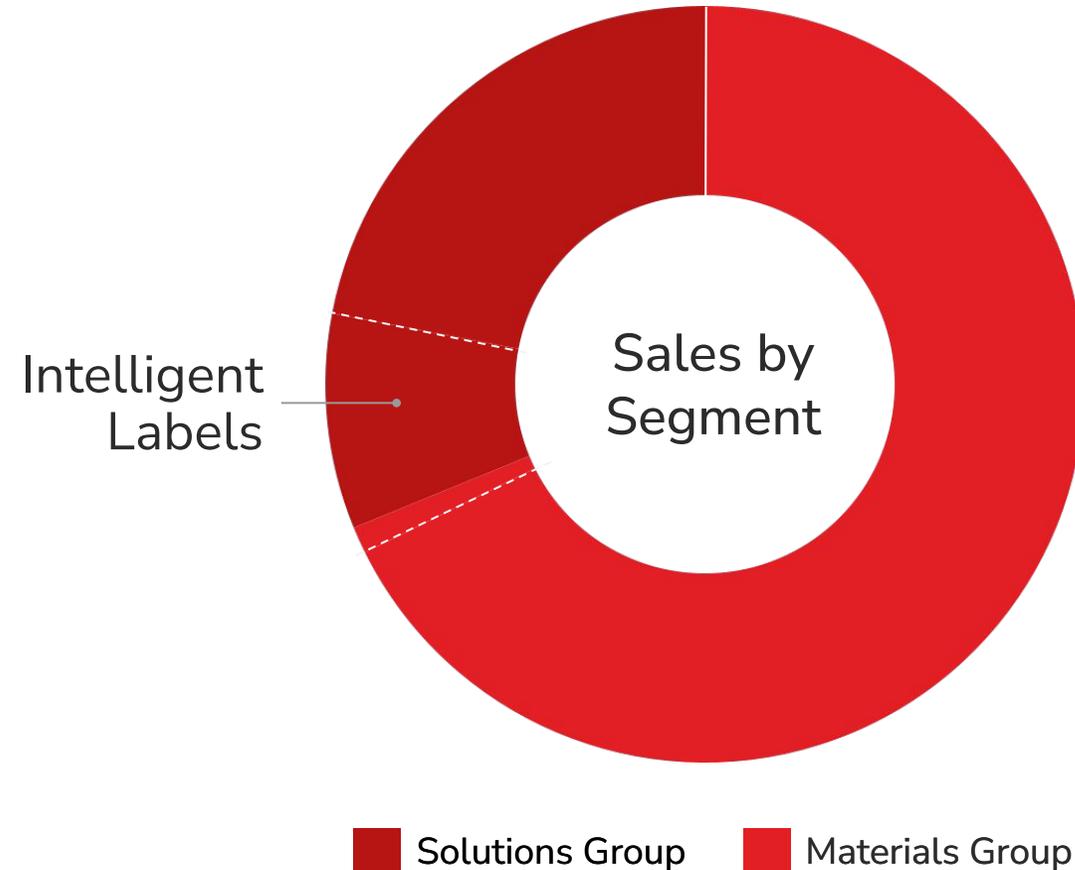
## Use of Non-GAAP Financial Measures

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 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. 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.

## Avery Dennison at a glance

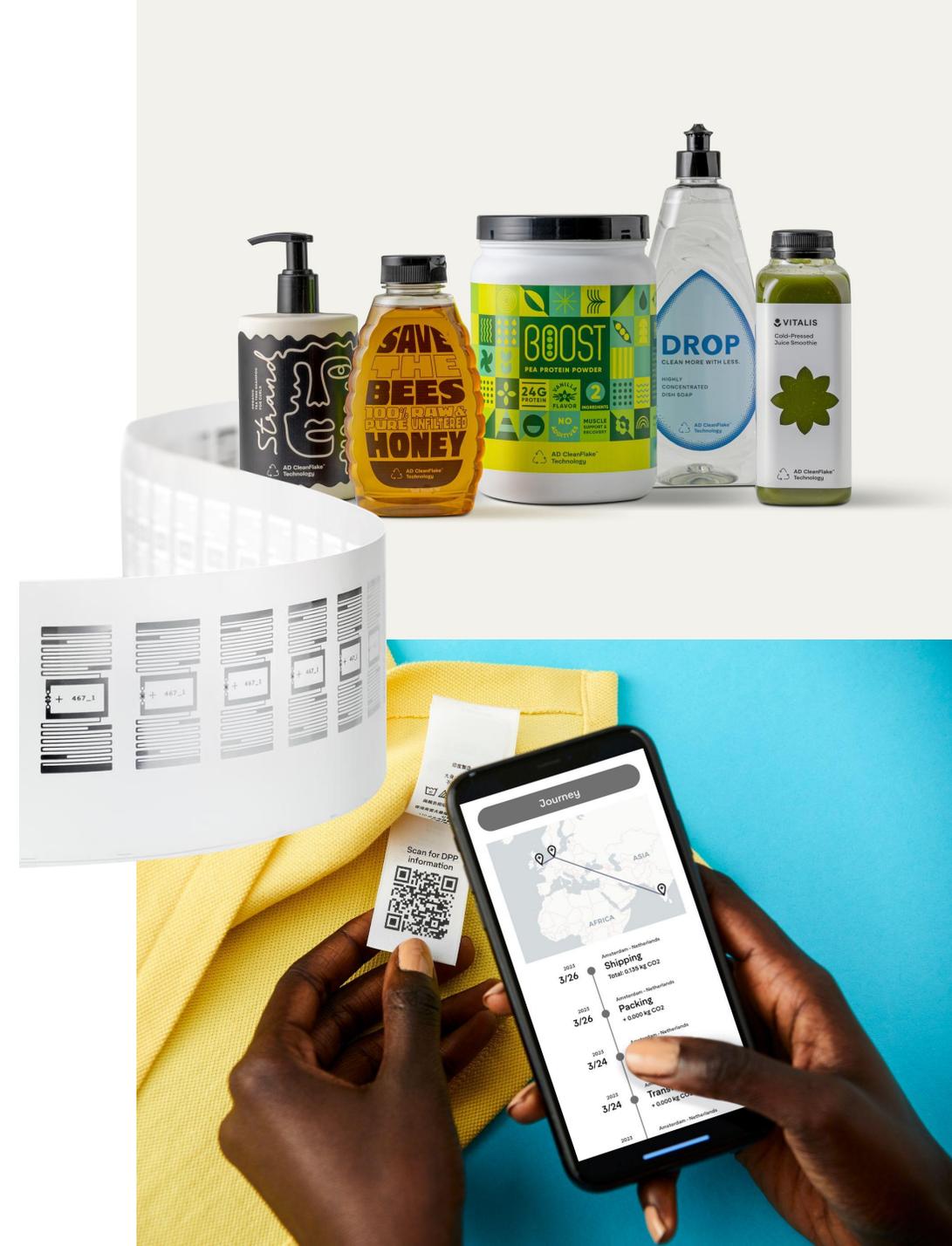
- Recognized industry leader
- Global materials science and digital identification solutions company
- Provider of a wide range of branding and information solutions that optimize labor and supply chain efficiency, reduce waste, advance sustainability, circularity and transparency, and better connect brands and consumers
- Operations in more than 50 countries with ~35,000 employees

2025 Net Sales  
**\$8.9 Billion**



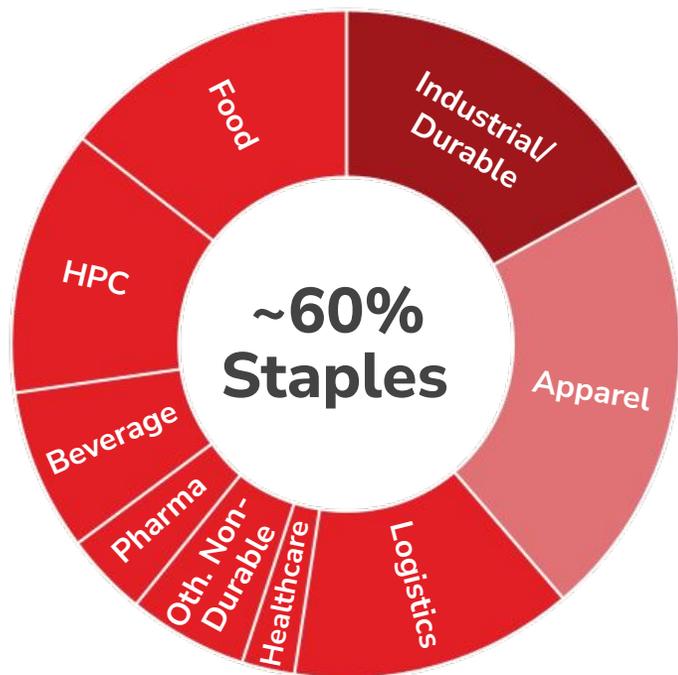
# Creating superior long-term value

- Large, growing and diverse end markets, largely anchored in consumer staples
- #1 player in our primary businesses, leveraging strong competitive advantages:
  - Global scale, materials science, process technology and innovation capabilities, operational excellence
- Strong foundation in our base businesses, delivering consistent results and strong cash flow
- Catalysts for strong growth in high-value categories and emerging markets
- Innovative and productivity-driven culture; engaged global team
- Strong balance sheet and disciplined capital allocation strategy
- Proven track record of consistently delivering strong results; multiple levers/paths to achieving superior long-term EVA growth and returns



# Broad exposure to diverse markets, with increasing portfolio strength

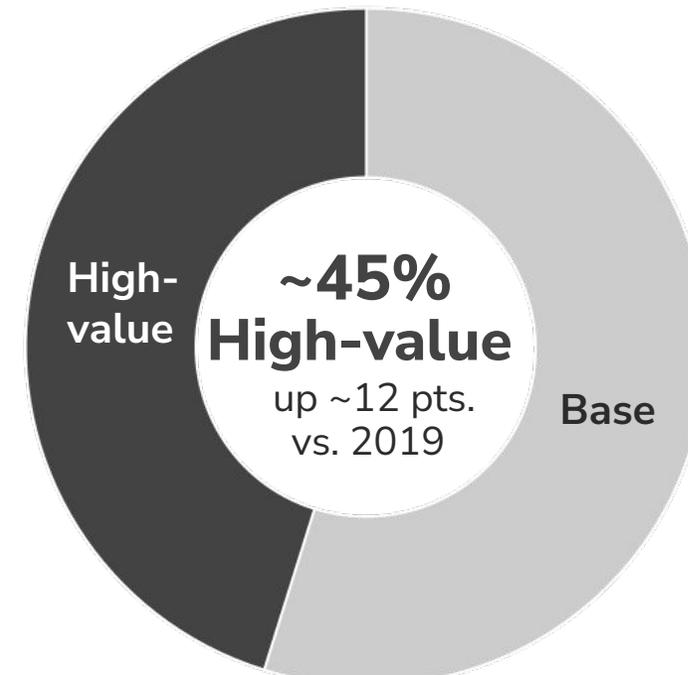
Sales by End Market<sup>(1)</sup>



Sales by Geography<sup>(1)</sup>



Sales by Category<sup>(1)</sup>



(1) Estimated FY 2025 sales by end market

# Delivered solid results for the 2020-2025 cycle despite multiple cyclical challenges; leveraging strength of portfolio to deliver our 2023-2028 targets

	2020-2025 <sup>(1)</sup> Targets / Results		2023-2028 <sup>(1)</sup> Targets / Results	
Sales Growth ex. Currency	5%+	6%	5%+	3%
Adj. EBITDA Growth <sup>(2)</sup>	6.5%	6.3% (~7% ex. curr.)	7.5%+	7.3%
Adj. EBITDA margin	16%+	16.4% in 2025	17%+ in 2028	16.4% in 2025
Adjusted EPS Growth	10%	6% (~7% ex. curr.)	10%	10%
ROTC (non-GAAP)	18%+	15% in '25	Top Qtle <sup>(3)</sup>	Top Decile <sup>(3)</sup>

(1) Percentages for targets reflect five-year compound annual growth rates, with the base periods set as 2020 and 2023, respectively. Percentages for results reflect five-year compound annual growth rates for 2020 targets and two-year compound growth rates for 2028 targets.

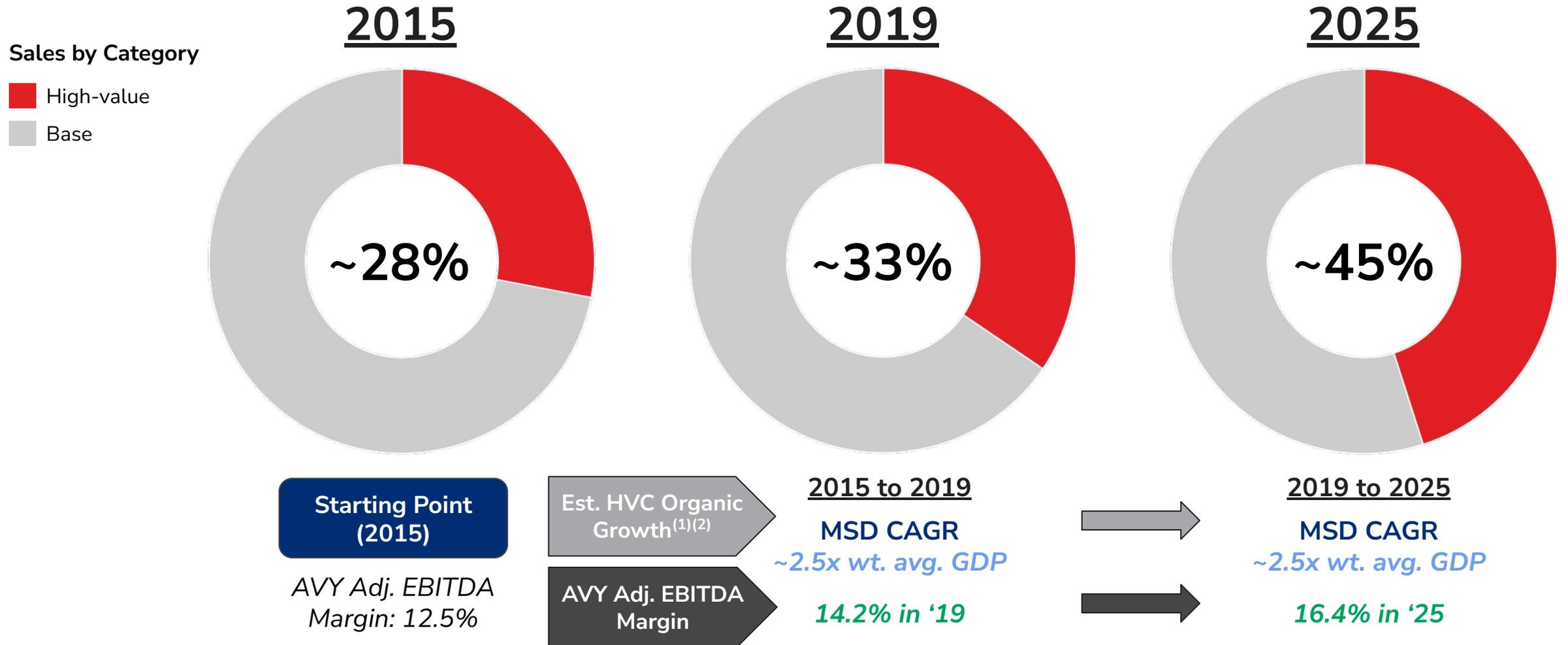
(2) Although adjusted EBITDA growth was not one of our original financial targets, it was implied by our sales growth ex. currency and adjusted EBITDA margin targets.

(3) Compared to peer group on page 71 of our 2025 Proxy Statement

# Executing key strategies, with proven business resilience, to deliver GDP+ growth and top quartile returns across cycles

- 1 Drive outsized growth in high-value categories through market-driven innovation
- 2 Grow profitably in our base businesses
- 3 Lead at the intersection of the physical and digital
- 4 Effectively allocate capital and relentlessly focus on productivity
- 5 Lead in an environmentally and socially responsible manner

# Unlocking Value: Expanding High-Value Category exposure is a key contributor to driving outsized sales growth and margin expansion over the long term



(1) Estimated organic growth and GDP calculated using the 4-YR period ending in 2019 and the 6-YR period ending in 2025  
 (2) MSD = mid-single digit %

## Leveraging the strength of our portfolio to help address key industry challenges



Optimizing labor  
and supply chain  
efficiency



Reducing waste and  
mitigating loss



Advancing sustainability,  
circularity and  
transparency



Helping brands and  
consumers better connect

Together, our businesses create a unique opportunity for significant value creation

## Materials Group

- Industry leader
- Stable and diverse end markets with GDP+ growth
- Balance of growth, margin and capital efficiency drives strong returns, EVA and cash flow



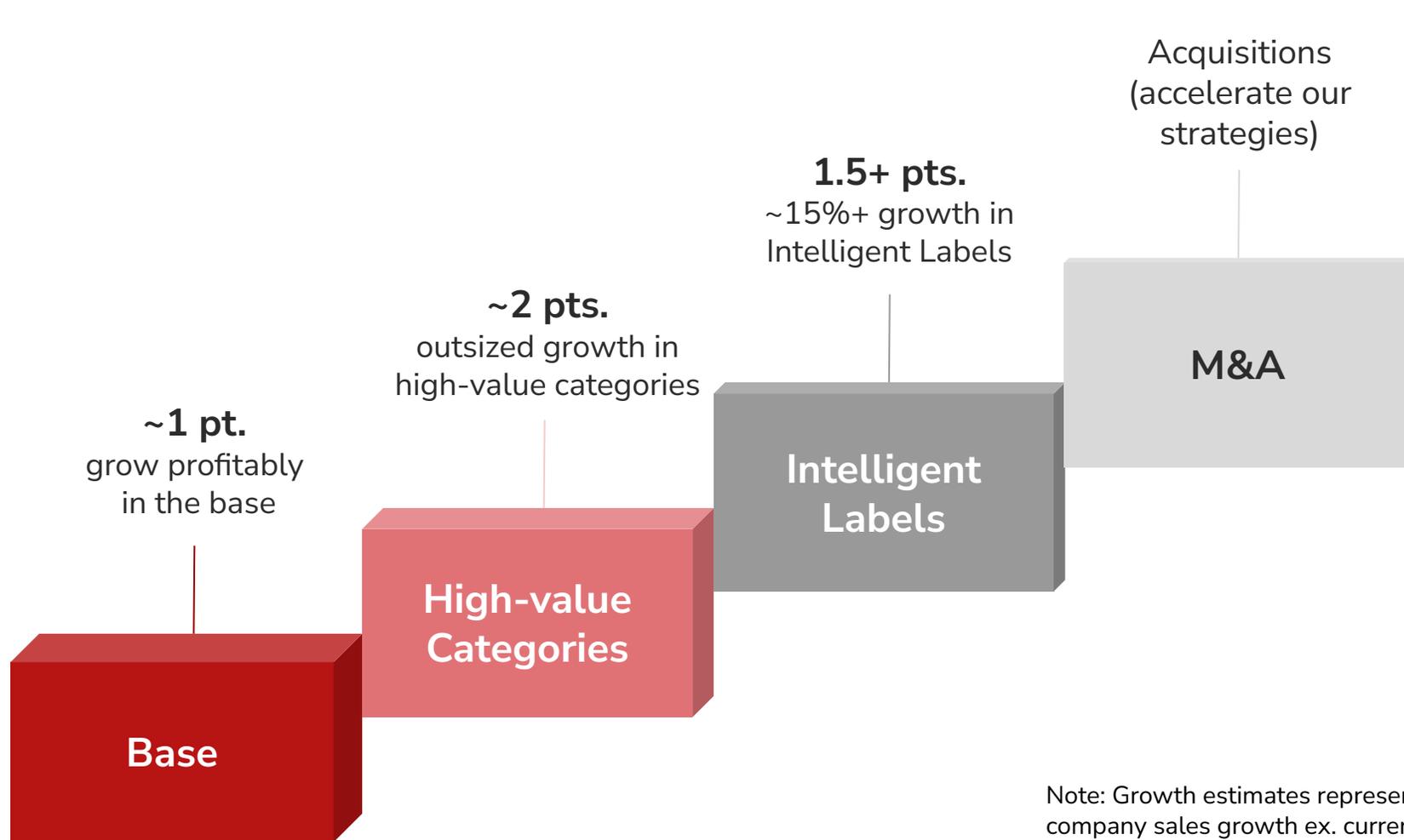
### Intelligent Labels

- Industry leader
- Significant growth; large TAM with low penetration
- Uniquely positioned, leveraging advantages of Materials and Solutions
- Multi-decade growth opportunity with strong margins

## Solutions Group

- Industry leader
- Relevant data management and digital capabilities, with end-user access
- Solid growth and margins with upside as portfolio continues to shift toward high-value categories

# Targeting strong top-line growth over the long term



**5%+**  
Sales Growth  
Ex. Currency

Note: Growth estimates represent contributions to annualized total company sales growth ex. currency over the horizon; high-value categories exclude Intelligent Labels, which is represented separately.

## Our long-term financial framework

5%+

Sales Growth Ex.  
Currency

17%+

Adj. EBITDA Margin  
in 2028

10%

Adj. EPS Growth

Top  
Quartile<sup>(1)</sup>  
ROTC

Note: Long-term targets are annualized and represent a 5-year horizon ending in 2028

<sup>(1)</sup> Compared to peer group on page 71 of our 2025 Proxy Statement

## Disciplined approach to capital allocation

**Strong balance sheet with target leverage ratio that provides ample capacity for investment and lowest WACC over cycles**

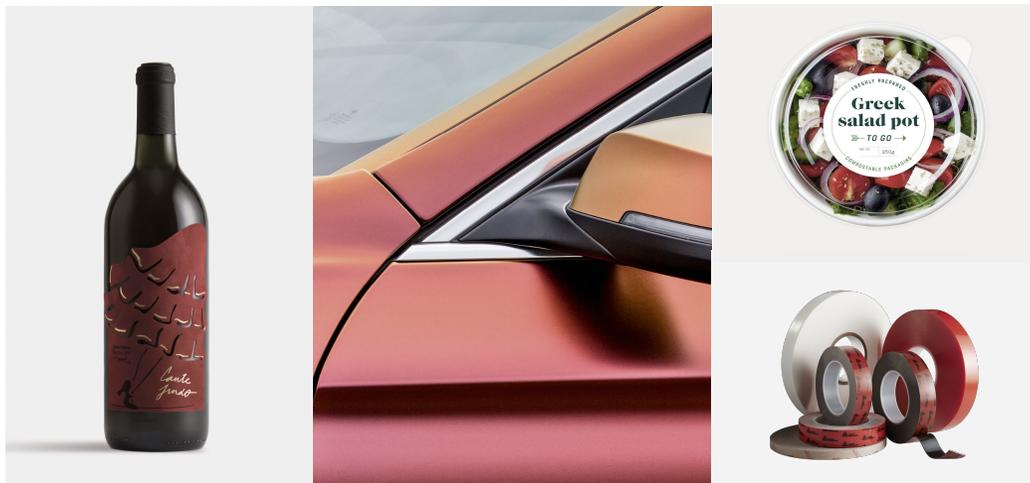
~\$8B of capital available for deployment 2024-2028

- Investing organically and through M&A to deliver superior returns across cycles
  - Approx. half of our capital available for buyback/M&A; returns and EVA focused
  - Targeting M&A opportunities that can accelerate our strategies and further upgrade our portfolio
- Continuing to grow our dividend
- Committed to maintaining strong credit rating, targeting a net debt to adjusted EBITDA ratio (non-GAAP) of ~2-3x

	<b>Long-term Capital Uses</b> (% of total cap. avail.)
Capex/Restructuring	25-30%
Dividends	~20%
Buyback/M&A	50-55%

# Segment Overview

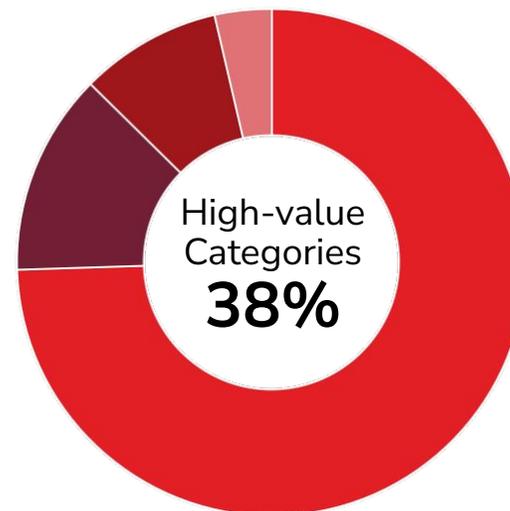
# Materials Group



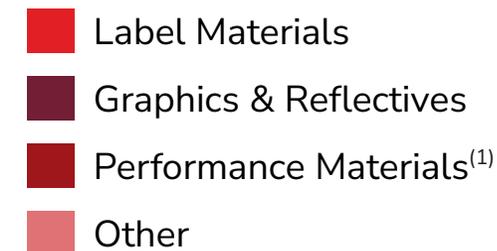
## 2025 Financial Snapshot

Net Sales	<b>\$6.1 bil.</b>
Sales Change Ex. Currency 5-YR CAGR	<b>3.2%</b>
Adj. EBITDA Margin	<b>17.4%</b>

Product Category

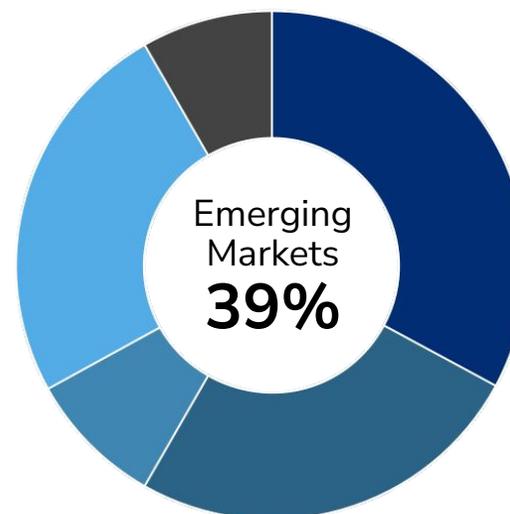


## 2025 Sales by Product



(1) Performance Materials includes: industrial and medical tapes, trade adhesives, and Taylor Adhesives

Est. End Market



## 2025 Sales by Geography



# Materials Group delivers growth and significant returns

Leader in growing self-adhesive label materials industry  
(~2.5X next largest competitor)

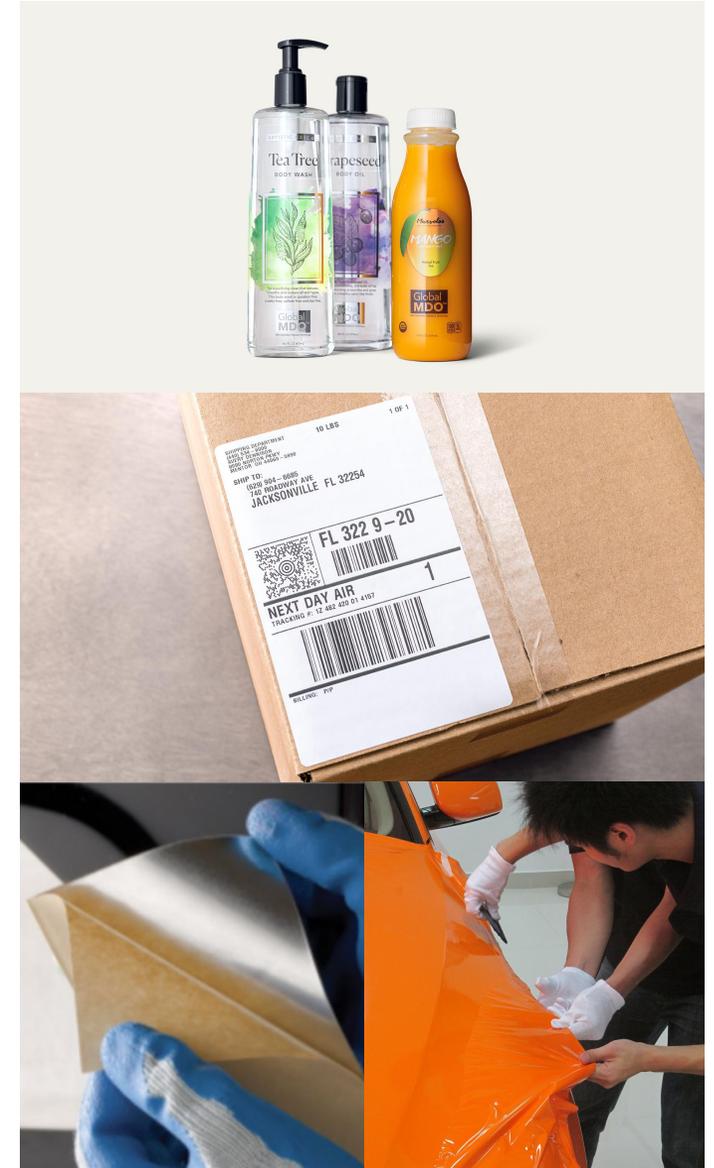
## Clear and sustainable competitive advantages

- Global scale with 10,000+ converting partners
- Materials science, including vertical integration in adhesives, and process technology capabilities
- Industry-leading innovations enabling sustainability and functionality

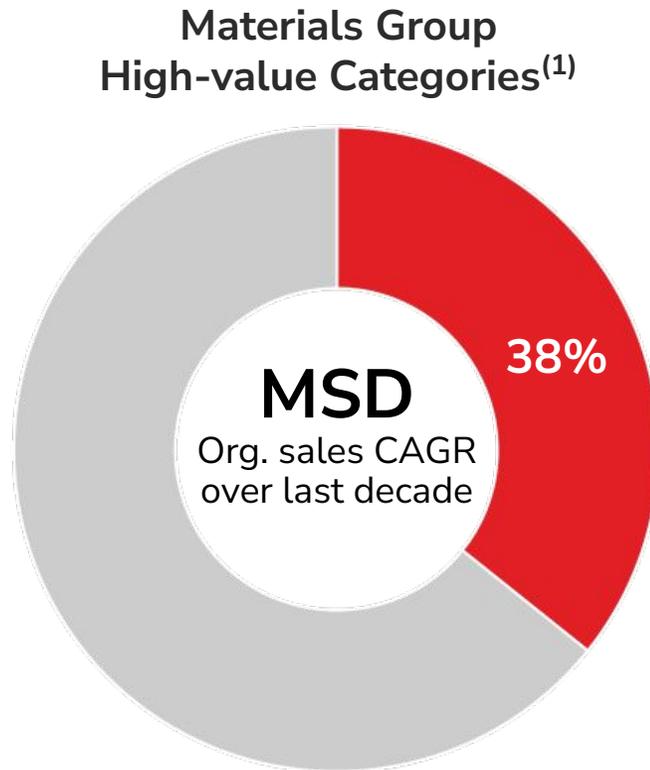
## Strong growth catalysts driving GDP+ growth

- Premiumization of packaging
- E-commerce and supply chain transparency
- Strong presence in emerging markets
- Digitization of packaging (Intelligent Labels)

Disciplined approach to profitable growth in base business and relentless focus on productivity and capital efficiency



# Continuing to deliver outsized growth in high-value categories, supported by secular trends



(1) Based on FY 2025 sales

## Specialty Labels

- Premiumization in wine, spirits and craft beer
- Aging populations and cold chain logistics (pharma)
- Freshness, multi-use and convenience (reclosure)

## Intelligent Labels

- Delivering growth through vast converter network to enable broad supply chain adoption
- Expansion of Intelligent Labels in segments such as general retail, food and logistics

## Graphics & Reflective Solutions

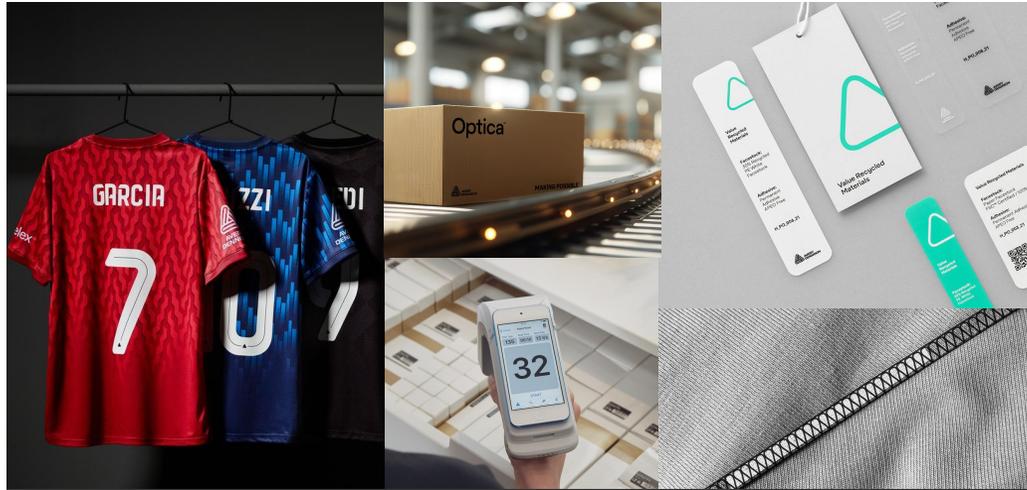
- Personalization and premiumization in cars (wraps)
- Infrastructure projects (road signage)

## Performance Materials

- Lightweighting, noise and vibration dampening
- Electrification, incl. functional materials for EVs



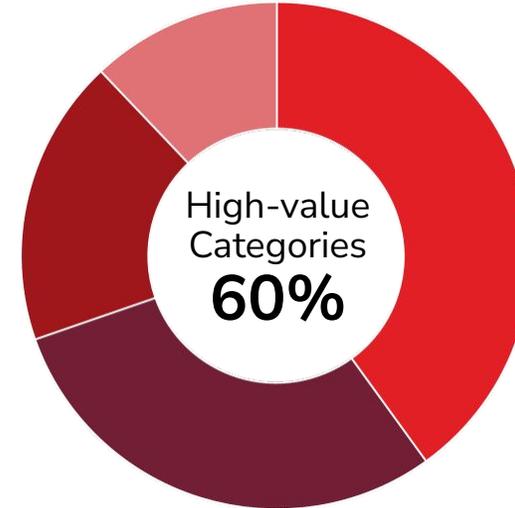
# Solutions Group



## 2025 Financial Snapshot

Net Sales	<b>\$2.8 bil.</b>
Sales Change Ex. Currency 5-YR CAGR	<b>12.7%</b>
Adj. EBITDA Margin	<b>17.3%</b>

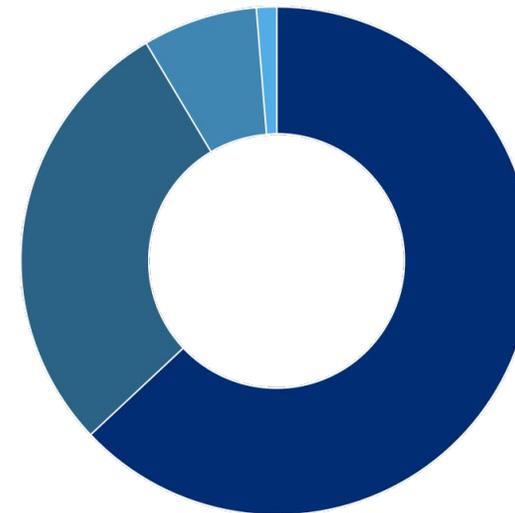
Product Category



### 2025 Sales by Product

- Base Solutions
- Intelligent Labels (IL)
- Vestcom
- Ext. Embellishments (Embelex)

Est. End Market



### 2025 Sales by Geography

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

# Solutions Group offers significant profitable growth opportunity as we unlock new value for customers

Leader in global branding and identification solutions that help address key industry challenges

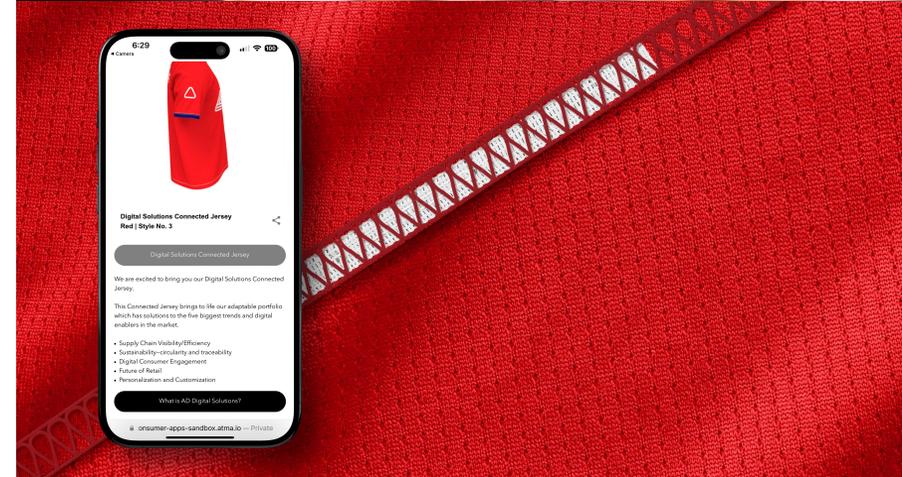
## Demonstrated competitive advantages

- Global scale and footprint; vertically integrated
- Innovation leader in high-value categories, with 1500+ patents and pending patent applications in Intelligent Labels
- Industry-leading capabilities helping drive adoption of digital identification technology in new segments

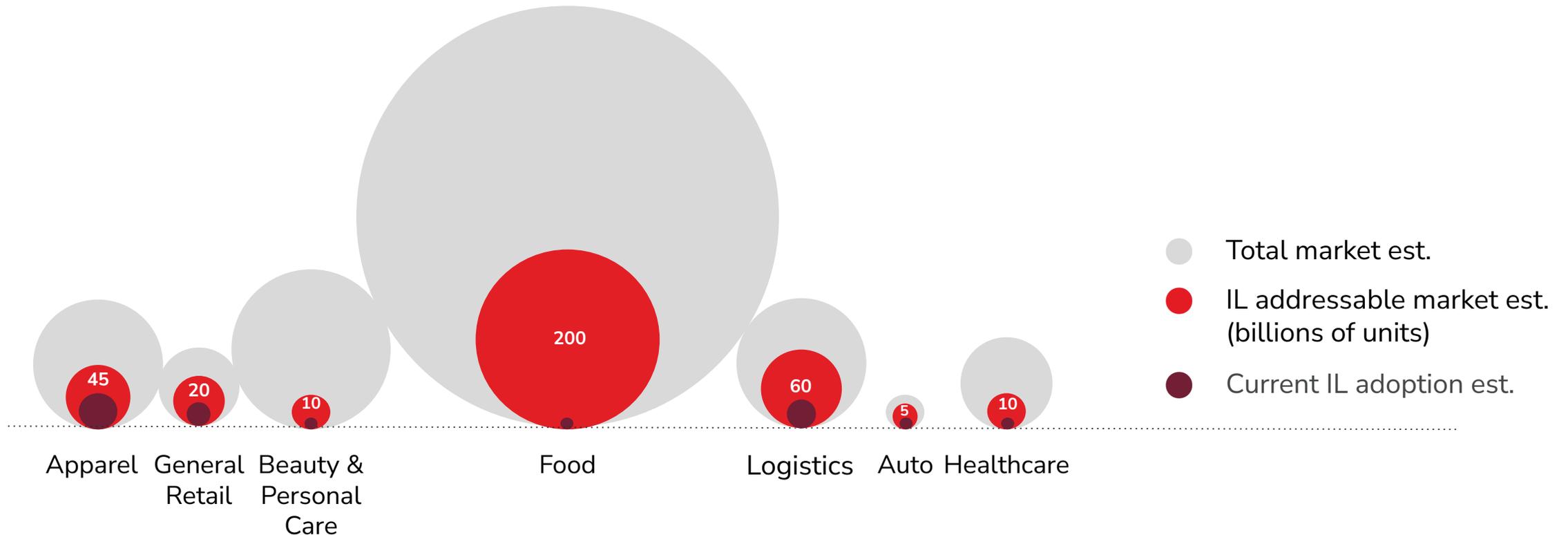
## High-value categories are catalysts for strong growth

- Expanding opportunity in Intelligent Labels (new segments and use cases)
- Leading Embelex platform helping brands and consumers better connect
- Strong platform in Vestcom through proprietary in-store productivity and media solutions

Disciplined approach to profitable growth in the base business provides key resources for growth in high-value categories



# Unlocking large, expanding, untapped and attractive Intelligent Label end markets



Attractive Market Growth Factors

## 1. Significant TAM

350+ bil. unit opportunity, currently across 7 distinct markets

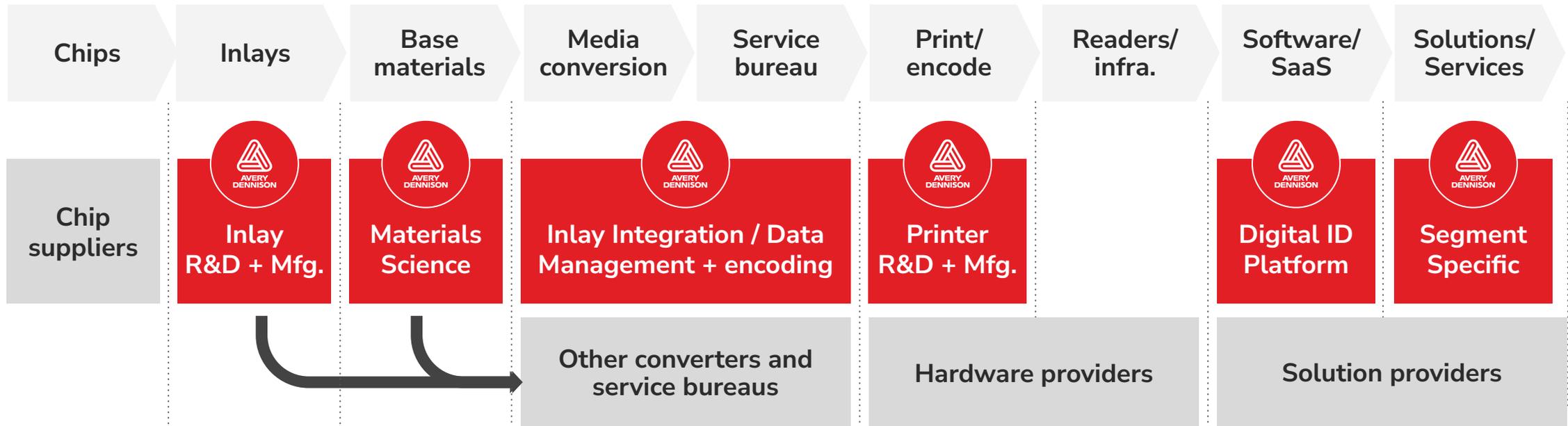
## 2. Expanding TAM

20 bil. units added since '21; due to use case expansion in more established Apparel/General Retail

## 3. Low Penetration

Apparel most penetrated at ~40%; low penetration with significant opportunity in other segments

# Our vertical integration across the RFID technology ecosystem helps us drive adoption and create value

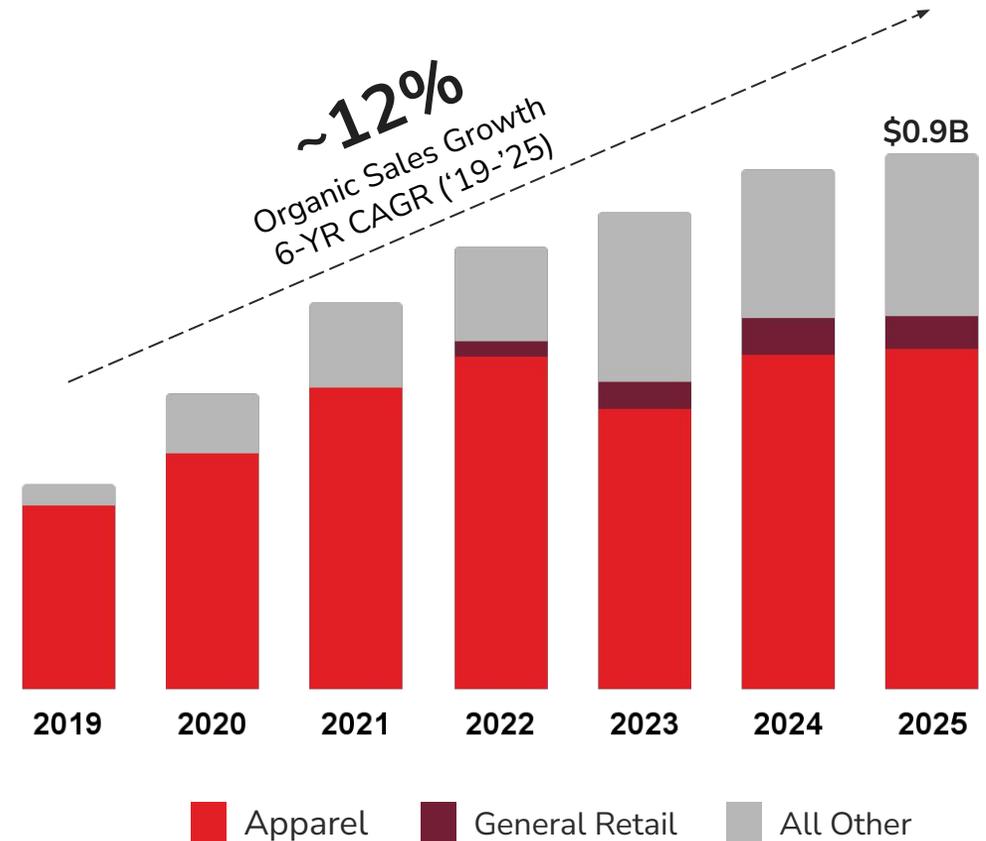


- Avery Dennison key capabilities
- 3rd party supplier and partner capabilities

# Our leading position in Intelligent Labels is delivering significant growth

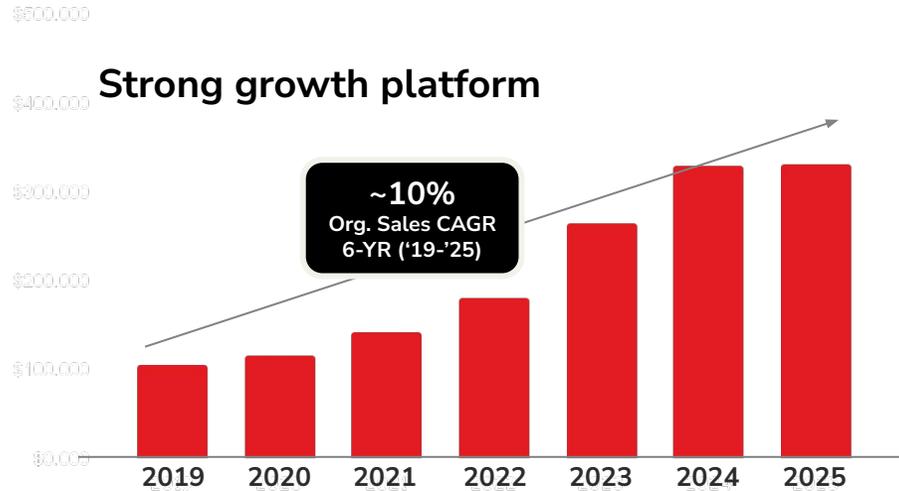
## Our Competitive Advantages:

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



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

# Embelex: helping brands and consumers better connect



Customization and Personalization



Elevating Brand Identity



Consumer Experience

## Competitive Advantages



Global scale



Value Creation Approach

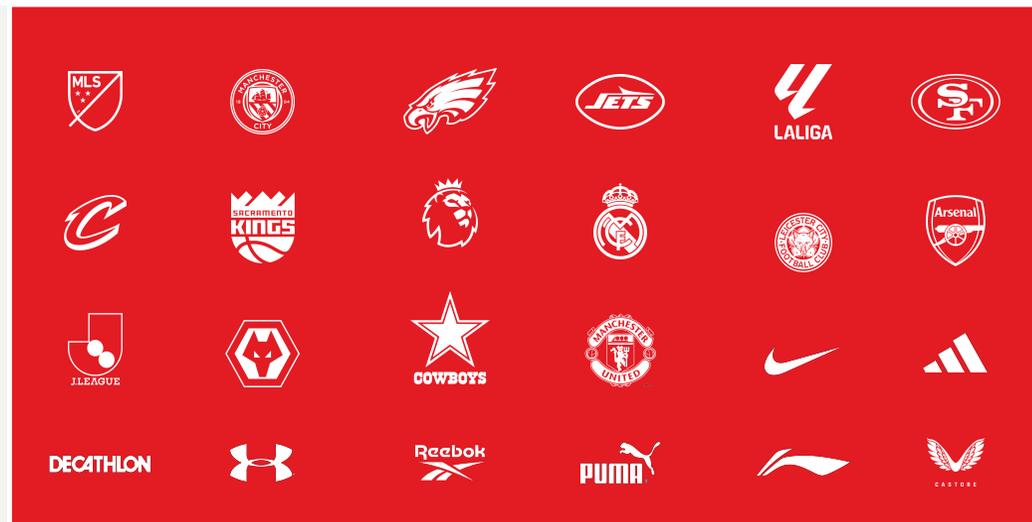


Sustainability



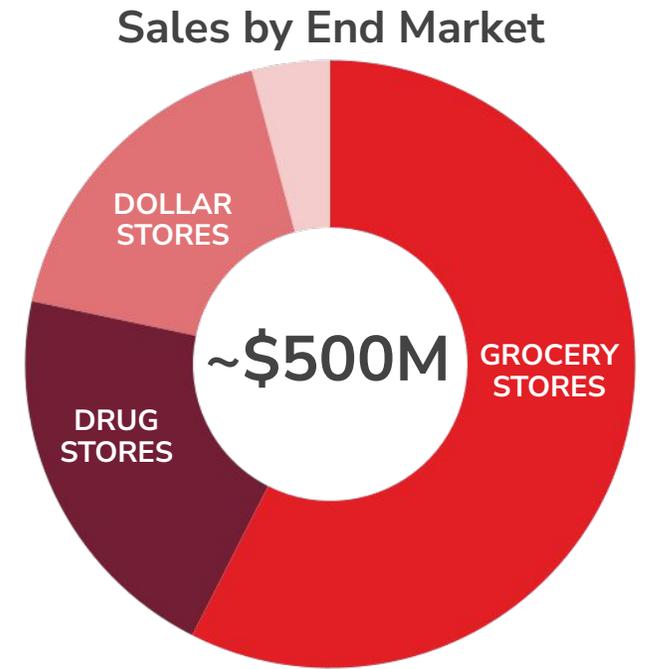
Product Portfolio Breadth

- Leading growth platform, ~\$330M in 2025 revenue with large addressable market and strong industry growth driven by global sports industry
- Helping brands improve decoration, personalization and customization through innovation, including in-venue and online retail experience
- Driving strategic partnerships across global brands, teams, leagues and arena operators



# Vestcom provides industry-leading productivity and media solutions for the retail shelf-edge, with strong data management capabilities

- MSD organic growth with strong margins
- Delivering strong ROI for customers
- Proprietary productivity solutions enable efficient pricing and planogram changes
- Uniquely positioned to win with storeLink™ platform
- Consumer engagement solutions enable sales lift through promotions and branding
- Strong data management capabilities that streamline processing price updates



## Data Management Capabilities

Data Integration



*Billions of updates per month*

Data Processing



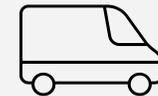
*1+ million client files processed per month*

Media/Label Production



*Thousands of labels/store/week*

Shipping & Logistics



*<24 hour turnaround*

# Appendix A

Select slides from Q4 2025 earnings release  
(all forward-looking statements as of February 4, 2026)  
and supplemental information

## **Delivered solid 2025 earnings and strong cash flow in a dynamic environment**

### **Q4 adj. EPS (non-GAAP) of \$2.45, up 3%**

- Sequentially improved adj. EPS growth with strong growth in high-value categories

### **FY 2025 adj. EPS of \$9.53, up 1%**

- Delivered earnings and cash flow growth; successfully mitigated tariff impacts and softer consumer volumes
- Leveraged proven productivity playbook to protect margin in the base
- Maintained overall adj. EBITDA margin (non-GAAP) of 16.4%

### **Delivered outsized sales growth in high-value categories (HVC) and advanced differentiation**

- Grew HVC sales MSD, expanded revenue mix to ~45%
- Delivered new innovation to expand differentiation and drive growth, with significant new innovations such as Intelligent Labels Fresh solutions, Vestcom's Storelink software platform, and expansion of our Cleanflake portfolio

### **Executed capital allocation framework, balancing return of cash to shareholders and HVC M&A**

- Generated strong adj. free cash flow (non-GAAP) of \$707 mil.; adj. free cash flow conversion (non-GAAP) of 103%
- Expanded Materials Group HVC exposure through ~\$390 mil. acquisition of Taylor Adhesives
- Returned ~\$860 mil. to shareholders through ~\$570 mil. of share repurchases and ~\$290 mil. in dividends

### **Expect to deliver earnings growth in Q1 2026 with adj. EPS of \$2.40 to \$2.46**

# Fourth quarter 2025 financial review

## Net sales of \$2.3 bil.

Sales down 0.2% on an organic basis (non-GAAP)

Sales change ex. currency up 0.6% (non-GAAP)

## Reported EPS of \$2.15

Adj. EPS of \$2.45, up 3% versus prior year

## Reported operating income of \$241 mil.

- Adj. EBITDA margin of 16.2%, down 20 bps
- Adj. operating margin (non-GAAP) of 12.4%, down 40 bps

## Strong adj. FCF of \$303 mil.

Returned \$191 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 2.4

# Full Year 2025 financial review

## Net sales of \$8.9 bil.

Sales up 0.2% on an organic basis

Sales change ex. currency up 0.4%

## Reported EPS of \$8.79

Adj. EPS of \$9.53, up 1% versus prior year

## Reported operating income of \$1.0 bil.

- Adj. EBITDA margin of 16.4%, comparable to PY
- Adj. operating margin of 12.7%, down 10 bps

## Strong adj. FCF of \$707 mil.

- Adj. free cash flow conversion of 103%

## Returned \$861 mil. to shareholders through share repurchases and dividends

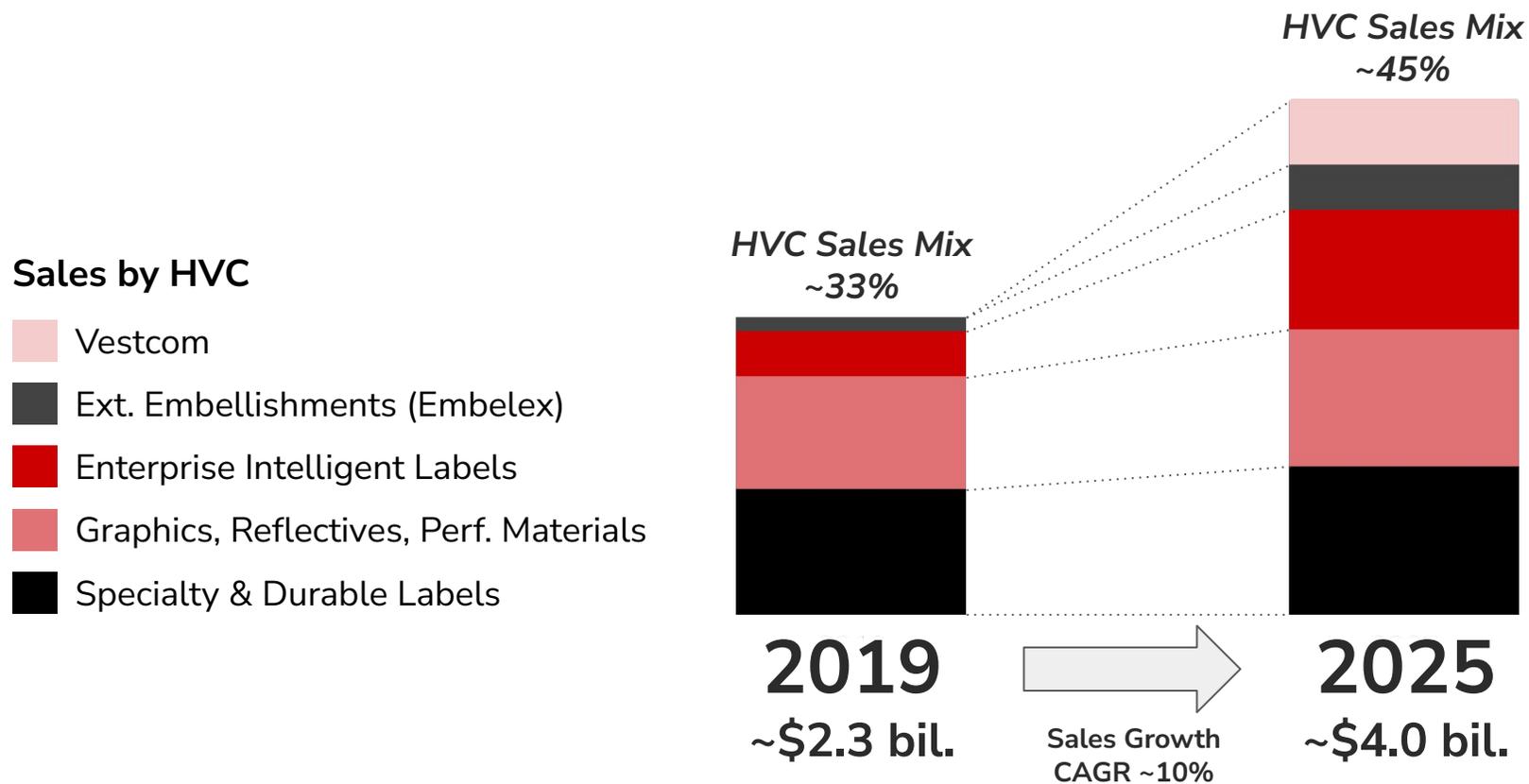
## Maintained strong balance sheet; continuing to deploy capital in disciplined manner

- Net debt to adj. EBITDA ratio of 2.4

# High-value categories are a key driver for enterprise growth and portfolio strength

HVC mix expansion continues, up to ~45% of sales in 2025, with a mid-single digit organic growth CAGR ~12 points of expansion since 2019 driven by a combination of organic growth and acquisitions

- HVC have outperformed real GDP ~2.5x and global retail volumes ~3.5x



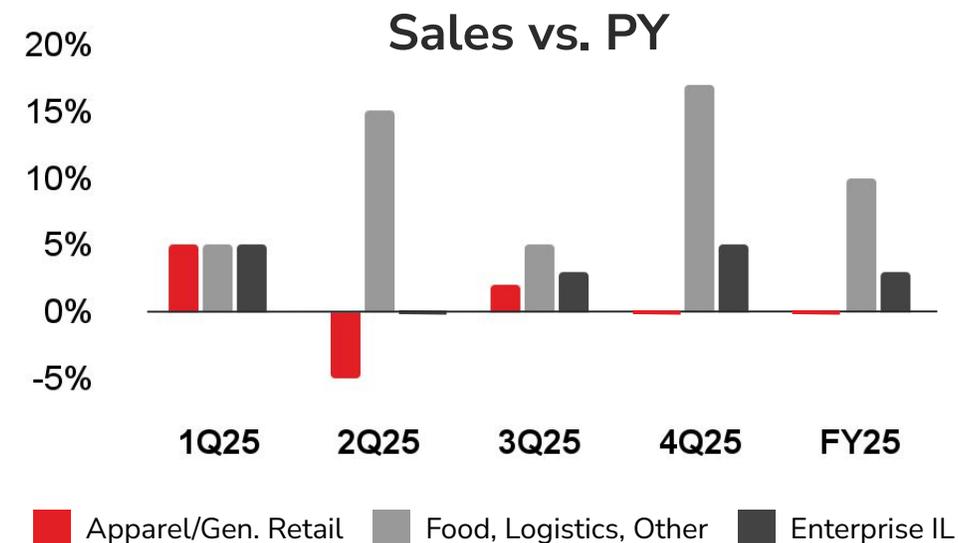
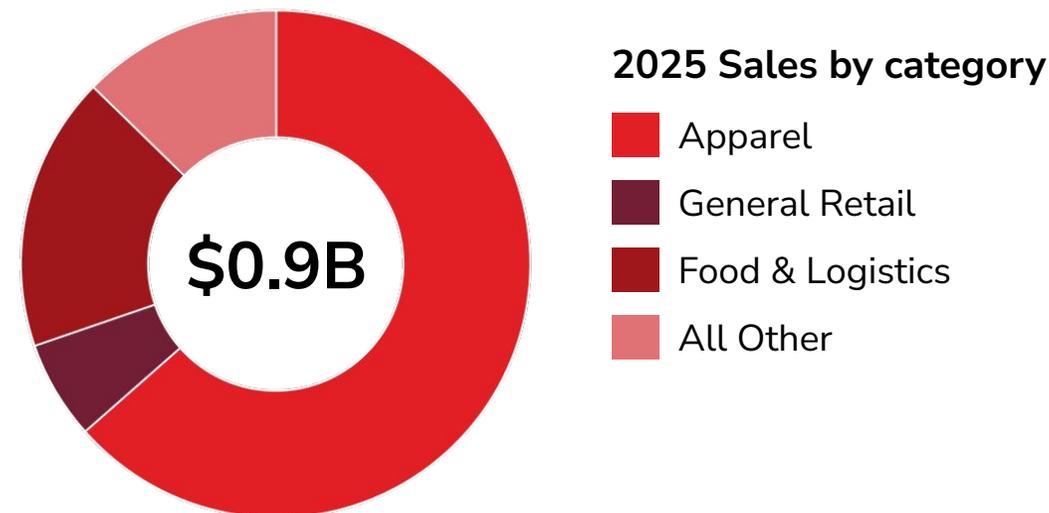
# Enterprise-wide Intelligent Labels

## Overall Results:

- Q4 sales up MSD on organic basis
  - Apparel/General retail categories down LSD
  - Other categories up high-teens
- FY sales up LSD on an organic basis
  - Apparel/General retail categories comparable to PY
  - Other categories up ~10%

## Key End Market Insights for 2026:

- **Apparel and General Retail:** Tariff uncertainty still impacting business; anticipating return to growth in 2026
- **Food:** Segment adoption to accelerate with largest U.S. grocery retailer rollout in bakery, meat and deli
  - Continue to anticipate this program contribution to 2026 revenue will be heavily weighted to 2H
- **Logistics:** Outsized growth and share in 2025; expanding pilots with additional customers in 2026



## Q1 2026 EPS Guidance (as of February 4, 2026)

	<u>Low</u>	<u>High</u>
<b>Reported EPS</b>	<b>\$2.27</b>	<b>\$2.33</b>
Est. restructuring costs and other items	~\$0.13	~\$0.13
<b>Adjusted EPS</b>	<b>\$2.40</b>	<b>\$2.46</b>

### In Q1 2026, anticipate adj. EPS \$2.40-\$2.46

- Reported sales growth of 5-7% and organic sales growth of 0-2%
  - ~4% tailwind from currency translation at recent rates and ~1% impact from acquisition
- Current economic conditions expected to persist; driving key strategies to deliver growth and differentiation

### Additional full-year considerations

- ~\$0.25 net EPS tailwind from the benefits of currency translation and lower share count partially offset by a higher adj. tax rate and interest expense
- Incremental savings of ~\$50 mil. from restructuring actions
- Majority of 2025 temporary savings, including incentive compensation, expected to be a headwind
- Targeting ~100% adj. FCF conversion; fixed and IT capital spend of ~\$260 mil.
- Anticipate sequential earnings growth through the year, with historical earnings seasonality

# Disciplined approach to capital allocation; strong balance sheet with ample capacity

Q4 2025 Leverage		Debt / Liquidity Considerations			
Total Debt Outstanding	\$3.7B	<ul style="list-style-type: none"> <li>• 2.4x simple leverage at year-end, within our 2-3x target net leverage ratio</li> <li>• Growing dividend in-line with earnings (~10% CAGR over past 10 years)</li> <li>• Continuing to invest organically in our businesses</li> <li>• Disciplined deployment of capital for M&amp;A and share repurchases</li> </ul>			
Cash and cash equivalents	\$0.2B				
Net Debt <sup>(1)</sup>	\$3.5B				
Adjusted EBITDA, trailing 4 qtrs	\$1.5B				
Net Debt to adj. EBITDA	2.4				
Long-term Capital Allocation Framework		Long-term Debt Summary			
	% of Available Capital				
	<b>'20-'25 Target</b>	<b>'20-'25 Actual</b>			
Capex/restructuring	25%-30%	23%			
Dividends	~20%	20%			
Buyback/M&A	~50%	57%			
			3.8% weighted avg. interest rate		
			<b>\$0.5B</b>		
			<b>\$2.7B</b>		
	2026	2027	2028	2029	2030+

## Our 2030 Sustainability Goals

Baseline (2015)

2025 Results<sup>(1)</sup>

### Deliver innovations that advance the circular economy

Satisfy the recycling, composting or reuse requirements of all single-use consumer packaging and apparel with our products and solutions.

#### Solutions Group

100% of our core product categories (printed fabric labels, woven labels, paper, interior heat-transfer labels, packaging and RFID) will meet our Sustainable ADvantage Standard.

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**82%**  
(Apparel Solutions Only)

**81%**  
(Solutions Group overall)

#### 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.

--

**67%**  
(Label and Graphic Materials only)

### Reduce our environmental impact in our operations and supply chain

Reduce our scope 1 and 2 GHG emissions by 70% from our 2015 baseline. Work with our supply chain to reduce our 2018 baseline scope 3 GHG emissions by 30%<sup>(2)</sup>, with an ambition of net zero by 2050.

--

**61%** scope 1 and 2

Prior year scope 3 calculations are available in our most recent CDP Climate Response

Source 100% of paper fiber from certified sources focused on a deforestation-free future.

**45%** FSC-certified

**99%** certified

Divert 95% of our waste away from landfills, with a minimum of 80% of our waste recycled and the remainder either reused, composted, or sent to energy recovery.

**84%** landfill-free  
**55%** recycled

**94%** landfill-free  
**77%** recycled

Deliver a 15% increase in water efficiency at our sites that are located in high or extremely high risk countries as identified in the World Resources Institute (WRI) Aqueduct Tool.

--

**4%**

### Make a positive social impact by enhancing the livelihood of our people and communities

Foster an engaged team and an inclusive workplace.

- Inclusion Index: 85%
- Employee Engagement: 82%
- Females in manager level or above positions: 40%
- Safety: 0.2 Recordable Incident Rate (RIR)

--

**80%**  
**32%**  
**0.31 RIR**

**81%**  
**86%**  
**37%**  
**0.17 RIR**

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.

--

Made ADF grants in **77%** of countries in which we operate

**95%** of grants incorporated employee volunteerism

(1) Based on preliminary, unaudited full-year data.

(2) Our 30% reduction in 2030 goal covers our purchased goods and services (GHGP category 1) and end-of-life treatment of sold products (GHGP category 12), as aligned with our SBTi target.

# Appendix B

Reconciliation of Non-GAAP Financial Measures from GAAP

# 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 February 4, 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 will be 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; other non-operating expense (income), net; and other items.
- **Adjusted EBITDA** refers to adjusted operating income before depreciation and amortization.
- **Adjusted EBITDA change ex. currency** refers to the change in adjusted EBITDA on a constant currency basis. 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.
- **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 full-year GAAP tax rate, adjusted to exclude certain unusual or infrequent events that 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.
- **Adjusted EPS change ex. currency** refers to the change in adjusted net income per common share, assuming dilution, on a constant currency basis. 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.
- **Net debt to adjusted EBITDA ratio** refers to total debt (including finance leases) less cash and cash equivalents, divided by adjusted EBITDA for the last twelve months. We believe that the net debt to adjusted EBITDA ratio assists investors in assessing our leverage position.
- **Adjusted free cash flow (adjusted FCF)** refers to cash flow provided by operating activities, less payments for property, plant and equipment, less payments for software and other deferred charges, plus proceeds from company-owned life insurance policies, plus proceeds from sales of property, plant and equipment, plus (minus) net proceeds from insurance and sales (purchases) of investments, less net cash used for Argentine Blue Chip Swap securities. Where applicable, adjusted free cash flow is also adjusted for certain acquisition-related transaction costs. We believe that adjusted free cash flow assists investors by showing the amount of cash we have available for debt reductions, dividends, share repurchases, and acquisitions.
- **Adjusted free cash flow conversion** refers to adjusted free cash flow divided by net income.
- **Return on total capital (ROTC)** refers to net income excluding interest expense and amortization of intangible assets from acquisitions, net of tax benefit, divided by the average of beginning and ending invested capital. We believe that ROTC assists investors in understanding our ability to generate returns from our capital.

# Sales Change Ex. Currency and Organic Sales Change – Avery Dennison

(\$ in millions, except %)

<b>Total Company</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2020-2025 5-Yr CAGR</b>	<b>2023-2025 2-Yr CAGR</b>
Net sales	\$ 7,070.1	\$ 6,971.5	\$ 8,408.3	\$ 9,039.3	\$ 8,364.3	\$ 8,755.7	\$ 8,855.5		
Reported net sales change	(1.2%)	(1.4%)	20.6%	7.5%	(7.5%)	4.7%	1.1%		
Foreign currency translation	3.3%	0.9%	(3.4%)	5.6%	0.6%	0.4%	(0.3%)		
Impact of extra days		(1.3%)	1.4%				(0.4%)		
<b>Sales change ex. currency (non-GAAP)<sup>(1)</sup></b>	<b>2.0%</b>	<b>(1.7%)</b>	<b>18.6%</b>	<b>13.1%</b>	<b>(6.9%)</b>	<b>5.1%</b>	<b>0.4%</b>	<b>5.7%</b>	<b>2.7%</b>
Acquisitions/Divestitures		(1.7%)	(3.1%)	(3.6%)	(0.8%)	(0.6%)	(0.2%)	(1.6%)	(0.4%)
<b>Organic sales change (non-GAAP)<sup>(1)</sup></b>	<b>2.0%</b>	<b>(3.4%)</b>	<b>15.6%</b>	<b>9.5%</b>	<b>(7.7%)</b>	<b>4.5%</b>	<b>0.2%</b>	<b>4.1%</b>	<b>2.3%</b>

(1) Totals may not sum due to rounding

# Organic Sales Change – by Segment

(\$ in millions, except %)								2020-2025 5-Yr CAGR
<b>Materials Group</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	
Net sales	\$ 5,419.8	\$ 5,340.6	\$ 6,206.5	\$ 6,495.1	\$ 5,811.3	\$ 6,013.0	\$ 6,093.3	
Reported net sales change	(2.3%)	(1.5%)	16.2%	4.6%	(10.5%)	3.5%	1.3%	
Reclassification of sales between segments	(0.2%)			0.3%	0.1%		(0.7%)	
Foreign currency translation	3.8%	1.0%	(3.6%)	6.0%	0.1%	0.2%	(0.6%)	
Impact of extra days		(1.1%)	1.3%				(0.4%)	
<b>Sales change ex. currency</b>	<b>1.4%</b>	<b>(1.6%)</b>	<b>13.9%</b>	<b>11.0%</b>	<b>(10.4%)</b>	<b>3.7%</b>	<b>(0.4%)</b>	<b>3.2%</b>
Acquisitions/Divestitures			(1.1%)	0.2%			(0.3%)	(0.2%)
<b>Organic sales change</b>	<b>1.4%</b>	<b>(1.6%)</b>	<b>12.8%</b>	<b>11.2%</b>	<b>(10.4%)</b>	<b>3.7%</b>	<b>(0.7%)</b>	<b>3.0%</b>

(\$ in millions, except %)								2020-2025 5-Yr CAGR
<b>Solutions Group</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	
Net sales	\$ 1,650.3	\$ 1,630.9	\$ 2,201.8	\$ 2,544.2	\$ 2,553.0	\$ 2,742.7	\$ 2,762.2	
Reported net sales change	2.3%	(1.2%)	35.0%	15.6%	0.3%	7.4%	0.7%	
Reclassification of sales between segments	0.6%			(0.7%)	(0.2%)		1.7%	
Foreign currency translation	2.2%	0.6%	(2.2%)	4.2%	2.1%	0.8%	0.3%	
Impact of extra days		(1.7%)	2.1%				(0.4%)	
<b>Sales change ex. currency</b>	<b>5.1%</b>	<b>(2.3%)</b>	<b>34.9%</b>	<b>19.1%</b>	<b>2.2%</b>	<b>8.2%</b>	<b>2.2%</b>	<b>12.7%</b>
Acquisitions/Divestitures		(7.2%)	(9.7%)	(14.1%)	(3.0%)	(2.1%)		(5.5%)
<b>Organic sales change</b>	<b>5.1%</b>	<b>(9.5%)</b>	<b>25.2%</b>	<b>5.0%</b>	<b>(0.8%)</b>	<b>6.1%</b>	<b>2.2%</b>	<b>7.2%</b>

(1) Totals may not sum due to rounding

# Adjusted Operating Margin and EBITDA — Avery Dennison

(\$ in millions, except %)	2015	2020	2021	2022	2023	2024	2025	2020-2025 5-Yr CAGR	2023-2025 2-Yr CAGR
Net sales	\$ 5,966.9	\$ 6,971.5	\$ 8,408.3	\$ 9,039.3	\$ 8,364.3	\$ 8,755.7	\$ 8,855.5		
<b>Reconciliation of adjusted EBITDA from GAAP:</b>									
As reported net income	\$ 274.3	\$ 555.9	\$ 740.1	\$ 757.1	\$ 503.0	\$ 704.9	\$ 688.0		
Interest expense	60.5	70.0	70.2	84.1	119.0	117.0	135.4		
Other non-operating expense (income), net	24.1	1.9	(4.1)	(9.4)	(30.8)	(26.7)	(14.2)		
Provision for income taxes	134.5	177.7	248.6	242.2	191.7	248.6	237.1		
Loss from discontinued operations, net of tax	0.1	---	---	---	---	---	---		
Equity method investment losses	---	3.7	3.9	---	---	---	---		
Operating income from continuing operations before interest expense, other non-operating expense (income), taxes, and equity method investment losses, as reported	\$ 493.5	\$ 809.2	\$ 1,058.7	\$ 1,074.0	\$ 782.9	\$ 1,043.8	\$ 1,046.3		
Adjustments <sup>(1)</sup>	(1.0)	---	---	---	---	---	---		
Operating income before interest expense, other non-operating expense (income), taxes, and equity method investment losses	\$ 492.5	\$ 809.2	\$ 1,058.7	\$ 1,074.0	\$ 782.9	\$ 1,043.8	\$ 1,046.3		
<b>Operating margins, as reported</b>	<b>8.3%</b>	<b>11.6%</b>	<b>12.6%</b>	<b>11.9%</b>	<b>9.4%</b>	<b>11.9%</b>	<b>11.8%</b>		
<b>Non-GAAP adjustments:</b>									
Restructuring charges, net of reversals:									
Severance and related costs, net of reversals	52.5	49.1	10.5	7.6	70.8	35.4	43.2		
Asset impairment and lease cancellation charges	7.0	6.2	3.1	0.1	8.6	6.5	4.0		
Other items	5.0	(1.7)	(8.0)	(8.3)	101.5	36.4	30.3		
Adjusted operating income (non-GAAP)	\$ 557.0	\$ 862.8	\$ 1,064.3	\$ 1,073.4	\$ 963.8	\$ 1,122.1	\$ 1,123.8		
<b>Adjusted operating margins (non-GAAP)</b>	<b>9.3%</b>	<b>12.4%</b>	<b>12.7%</b>	<b>11.9%</b>	<b>11.5%</b>	<b>12.8%</b>	<b>12.7%</b>		
Depreciation and amortization	\$ 188.3	\$ 205.3	\$ 244.1	\$ 290.7	\$ 298.4	\$ 312.2	\$ 328.2		
Adjusted EBITDA (non-GAAP)	\$ 745.3	\$ 1,068.1	\$ 1,308.4	\$ 1,364.1	\$ 1,262.2	\$ 1,434.3	\$ 1,452.0	<b>6.3%</b>	<b>7.3%</b>
<b>Adjusted EBITDA margins (non-GAAP)</b>	<b>12.5%</b>	<b>15.3%</b>	<b>15.6%</b>	<b>15.1%</b>	<b>15.1%</b>	<b>16.4%</b>	<b>16.4%</b>		

(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 and EBITDA — by Segment

<b>Materials Group</b> <b>(\$ in millions)</b>	<b>2025</b>
Net sales	\$ 6,093.3
Operating income before interest expense, other non-operating expense (income) and taxes, as reported	\$ 890.6
<b>Operating margins, as reported</b>	<b>14.6%</b>
<b><u>Non-GAAP adjustments:</u></b>	
Restructuring charges, net of reversals:	
Severance and related costs, net of reversals	21.1
Asset impairment and lease cancellation charges	1.8
Other items	8.7
Adjusted operating income (non-GAAP)	\$ 922.2
<b>Adjusted operating margins (non-GAAP)</b>	<b>15.1%</b>
Depreciation & Amortization	\$ 137.4
Adjusted EBITDA (non-GAAP)	\$ 1,059.6
<b>Adjusted EBITDA margins (non-GAAP)</b>	<b>17.4%</b>

<b>Solutions Group</b> <b>(\$ in millions)</b>	<b>2025</b>
Net sales	\$ 2,762.2
Operating income before interest expense, other non-operating expense (income) and taxes, as reported	\$ 247.3
<b>Operating margins, as reported</b>	<b>9.0%</b>
<b><u>Non-GAAP adjustments:</u></b>	
Restructuring charges, net of reversals:	
Severance and related costs, net of reversals	21.3
Asset impairment and lease cancellation charges	2.1
Other items	15.6
Adjusted operating income (non-GAAP)	\$ 286.3
<b>Adjusted operating margins (non-GAAP)</b>	<b>10.4%</b>
Depreciation & Amortization	\$ 190.8
Adjusted EBITDA (non-GAAP)	\$ 477.1
<b>Adjusted EBITDA margins (non-GAAP)</b>	<b>17.3%</b>

# Adjusted EPS – Avery Dennison

	2020	2021	2022	2023	2024	2025	2020-2025 5-Yr CAGR	2023-2025 2-Yr CAGR
As reported net income per common share, assuming dilution	\$ 6.61	\$ 8.83	\$ 9.21	\$ 6.20	\$ 8.73	\$ 8.79		
<b>Non-GAAP adjustments per common share, net of tax:</b>								
Restructuring charges and other items <sup>(1)</sup>	\$ 0.48	\$ 0.05	\$ (0.06)	\$ 1.85	\$ 0.75	\$ 0.75		
Argentine interest income				\$ (0.15)	\$ (0.05)	\$ (0.01)		
Pension plan settlements, curtailment losses, and related charges	\$ 0.01	\$ 0.03						
<b>Adjusted net income per common share, assuming dilution</b>	<b>\$ 7.10</b>	<b>\$ 8.91</b>	<b>\$ 9.15</b>	<b>\$ 7.90</b>	<b>\$ 9.43</b>	<b>\$ 9.53</b>	<b>6.1%</b>	<b>9.8%</b>

The adjusted tax rate was 25.5%, 25.9%, 25.8%, 24.7%, 25.0%, and 24.1% for 2025, 2024, 2023, 2022, 2021, and 2020, respectively.

(1) Includes restructuring and related charges, transaction and related costs, (gain)/loss on venture and other investments, net, (gain)/loss on sales of assets, gain on sale of product line, outcomes of legal matters and settlements, net, losses from Argentine peso remeasurement and Blue Chip Swap transactions, and other items.

## Adj. EBITDA and adj. EPS change ex. currency – Avery Dennison

(\$ in millions, except %)

	2020	2021	2022	2023	2024	2025	2020-2025 5-Yr CAGR	2023-2025 2-Yr CAGR
Adj. EBITDA (non-GAAP)	\$ 1,068.1	\$ 1,308.4	\$ 1,364.1	\$ 1,262.2	\$ 1,434.3	\$ 1,452.0		
Adj. EBITDA change vs. PY		22.5%	4.3%	(7.5%)	13.6%	1.2%	6.3%	7.3%
Foreign currency translation		(4.2%)	6.9%	1.4%	0.6%	(0.4%)		
<b>Adj. EBITDA change ex. currency (non-GAAP)<sup>(1)</sup></b>		<b>18.3%</b>	<b>11.1%</b>	<b>(6.1%)</b>	<b>14.2%</b>	<b>0.9%</b>	<b>7.3%</b>	<b>7.3%</b>

(1) Totals may not sum due to rounding

	2020	2021	2022	2023	2024	2025	2020-2025 5-Yr CAGR	2023-2025 2-Yr CAGR
Adj. EPS (non-GAAP)	\$ 7.10	\$ 8.91	\$ 9.15	\$ 7.90	\$ 9.43	\$ 9.53		
Adj. EPS change vs. PY		25.5%	2.7%	(13.7%)	19.4%	1.1%	6.1%	9.8%
Foreign currency translation		(5.1%)	8.1%	1.5%	0.8%	(0.3%)		
<b>Adj. EPS change ex. currency (non-GAAP)<sup>(1)</sup></b>		<b>20.4%</b>	<b>10.8%</b>	<b>(12.1%)</b>	<b>20.1%</b>	<b>0.7%</b>	<b>7.2%</b>	<b>10.0%</b>

(1) Totals may not sum due to rounding

## Return on total capital (ROTC) – Avery Dennison

(\$ in millions)	
	<u>2025</u>
As reported net income	\$ 688.0
Interest expense, net of tax benefit	\$ 100.7
Intangible amortization, net of tax benefit	\$ 69.0
Effective Tax Rate	25.6%
Net income, excluding interest expense and intangible amortization, net of tax benefit	\$ 857.7
 Total debt	 \$ 3,732.9
Shareholders' equity	<u>\$ 2,242.1</u>
Total debt and shareholders' equity	\$ 5,975.0
 <b>ROTC (non-GAAP)</b>	 <b><u>15.0%</u></b>

## Net Debt to Adjusted EBITDA – Avery Dennison

(In millions, except ratio)	QTD			
	1Q25	2Q25	3Q25	4Q25
<b>Reconciliation of non-GAAP EBITDA from GAAP:</b>				
As reported net income	\$166.3	\$189.0	\$166.3	\$166.4
Other expense (income), net	19.9	0.5	16.7	40.4
Interest expense	30.9	34.0	33.3	37.2
Other non-operating expense (income), net	(3.3)	(3.3)	(3.7)	(3.9)
Provision for income taxes	60.7	66.5	68.5	41.4
Depreciation and amortization	77.9	80.8	84.0	85.5
<b>Adjusted EBITDA (non-GAAP)</b>	<b>\$352.4</b>	<b>\$367.5</b>	<b>\$365.1</b>	<b>\$367.0</b>
Total Debt				\$3,732.9
Less: Cash and cash equivalents				202.8
Net Debt				\$3,530.1
<b>Net Debt to Adjusted EBITDA LTM* (non-GAAP)</b>				<b>2.4</b>

\*LTM = Last twelve months (1Q25 to 4Q25)

## Adjusted Free Cash Flow and Adjusted Free Cash Flow Conversion – Avery Dennison

(\$ in millions)	2025
Net cash provided by operating activities	\$ 881.4
Purchases of property, plant and equipment	(169.0)
Purchases of software and other deferred charges	(31.4)
Purchases of Argentine Blue Chip Swap securities	-
Proceeds from sales of Argentine Blue Chip Swap securities	-
Proceeds from company-owned life insurance policies	-
Proceeds from sales of property, plant and equipment	22.6
Proceeds from insurance and sales (purchases) of investments, net	3.5
Payments for certain acquisition-related transaction costs	-
Contributions for U.S. pension plan termination	-
<b>Adjusted Free Cash Flow (non-GAAP)</b>	<b>\$ 707.1</b>
Net income	688.0
<b>Adjusted free cash flow conversion (non-GAAP)</b>	<b>103%</b>

Thank you.

[averydennison.com](https://averydennison.com)

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