

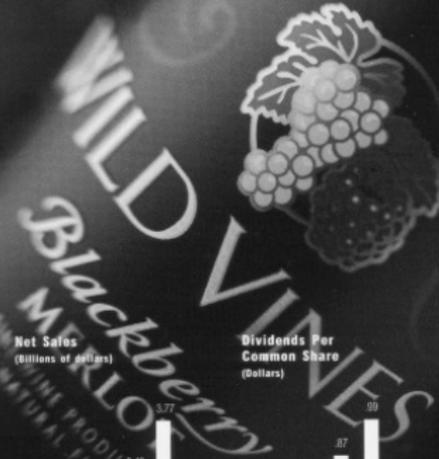
# The Supply Chain as an Enabler in Today's Omni-Channel World



**May 8, 2017**  
**Miami**

**Kim Schneider**  
**Avery Dennison**

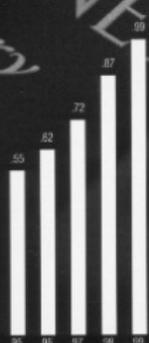
INNOVATIVE PRODUCTS. VALUE. GREAT SERVICE. THEY'RE PART OF THE WAY WE'VE BEEN DOING BUSINESS FOR MORE THAN SIX DECADES. IN TODAY'S FAST-MOVING E-BUSINESS WORLD, THEY CONTINUE TO DRIVE OUR GROWTH AND SET US APART. THAT'S BECAUSE WE DEVELOP PRODUCTS THAT MEET THE EVER-CHANGING NEEDS OF CONSUMERS AND INDUSTRY. PRODUCTS THAT PROVIDE REAL SOLUTIONS. FOR REAL RESULTS, READ ON...



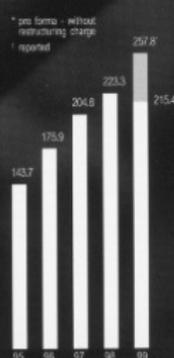
**Net Sales**  
(Billions of dollars)



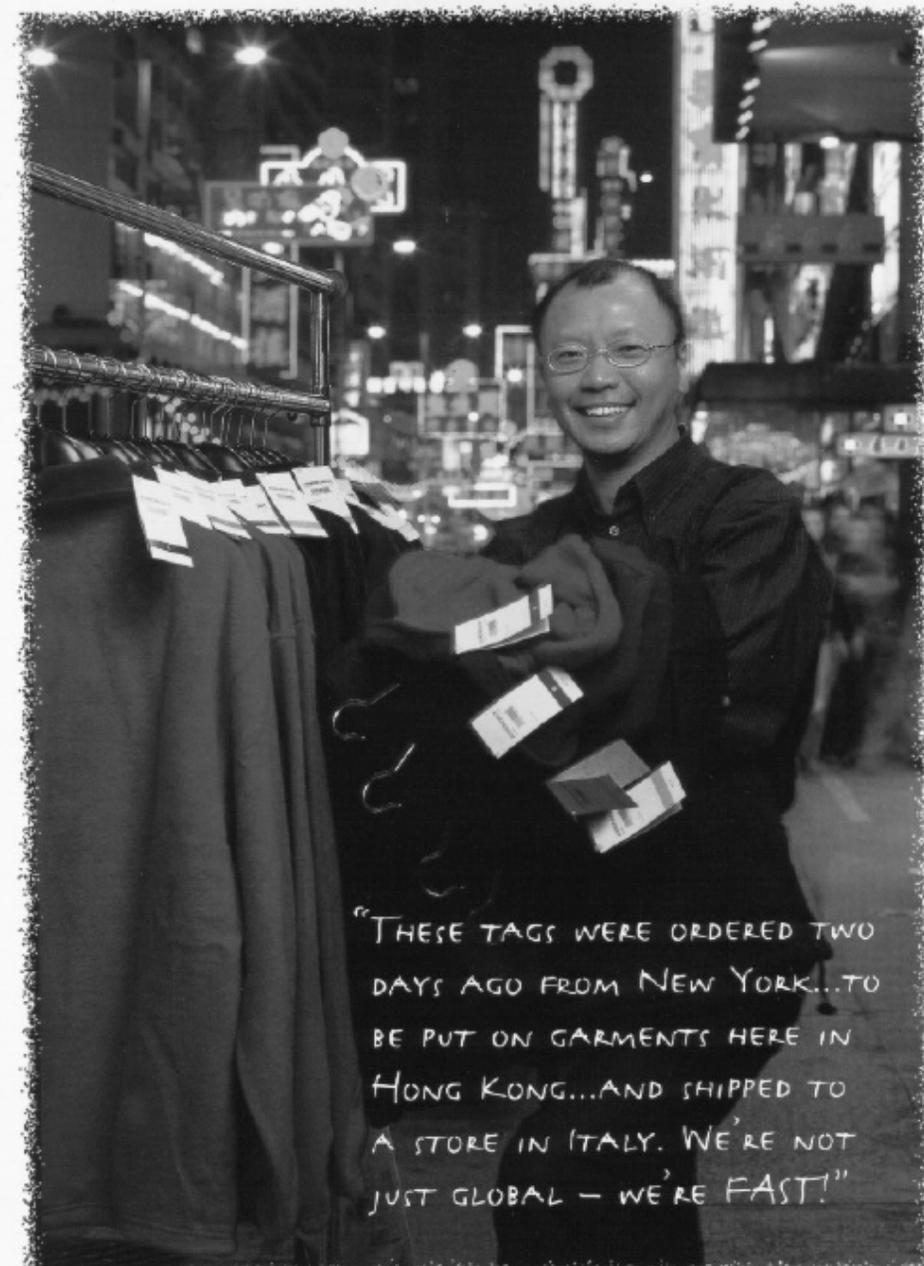
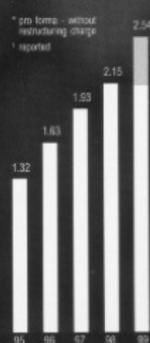
**Dividends Per Common Share**  
(Dollars)



**Net Income**  
(Millions of dollars)



**Net Income Per Common Share, Diluted** (dollars)



"THESE TAGS WERE ORDERED TWO DAYS AGO FROM NEW YORK...TO BE PUT ON GARMENTS HERE IN HONG KONG...AND SHIPPED TO A STORE IN ITALY. WE'RE NOT JUST GLOBAL - WE'RE FAST!"



# 1999 Highlights

- Avery Dennison's five-year total shareholder return outpaced the S&P 500 and the Dow Jones Industrial Average by more than 25%
- Sales grew 10.3%, excluding changes in currency. Reported sales rose 8.9% to a record \$3.8 Billion.
- We are creating products with consumer's needs in mind - providing our customers and partner with products that have built-in market appeal
- We are building technological resources to gain competitive strength
- We are quick to shape our businesses to better serve growing markets
- We are leveraging our technical leadership...
- We are relentless in our efforts to improve the way we run our business

**Today is Monday, May 8, 2017**

**Kim Schneider**  
**Avery Dennison**



# 2016 Annual Report

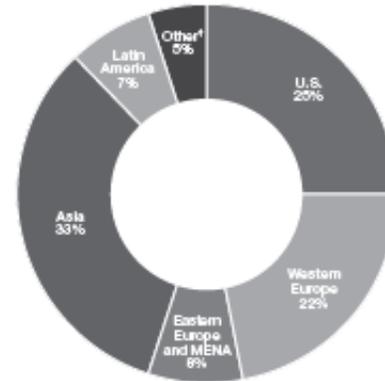
- Consumer Needs
- Leveraging Technology
- Speed
- Innovation
- Shaping the business to serve growing markets

## Financial Highlights

**\$1.60**

**DIVIDENDS PER COMMON SHARE**

Dividends per common share paid in 2016 totaled \$1.60, an increase of 10% over 2015. We distributed a total of \$404.9 million to shareholders in 2016 through dividends and the repurchase of 3.8 million shares of our common stock.



\*Canada, South Africa, Australia and New Zealand

### REVENUE BY GEOGRAPHY

Net sales in emerging markets (Latin America, Asia, Eastern Europe and the Middle East/North Africa) totaled approximately \$2.8 billion in 2016, representing 46% of our annual revenues.



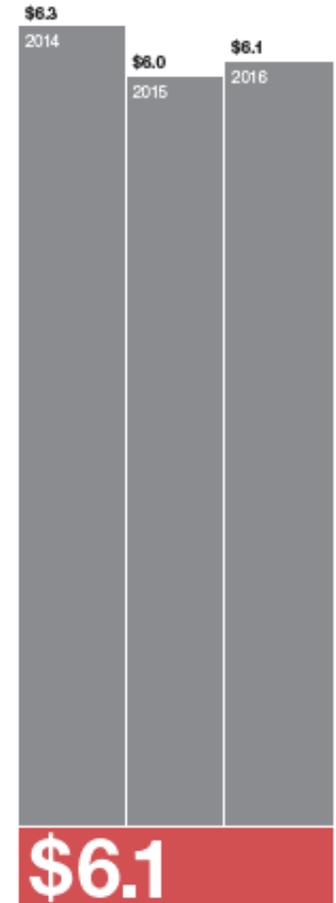
**NET INCOME IN MILLIONS**

Net income was \$320.7 million in 2016, an increase of 17% from 2015.



**NET INCOME PER COMMON SHARE**

Net income per common share, assuming dilution, was \$3.54 in 2016, an increase of 20% from 2015.

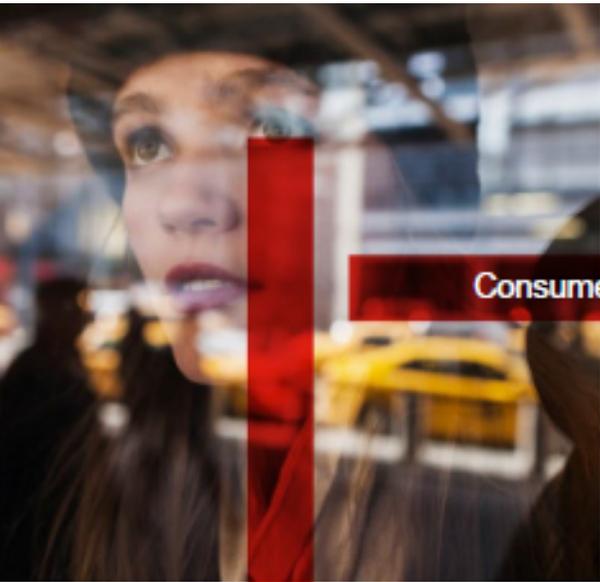


**NET SALES IN BILLIONS**

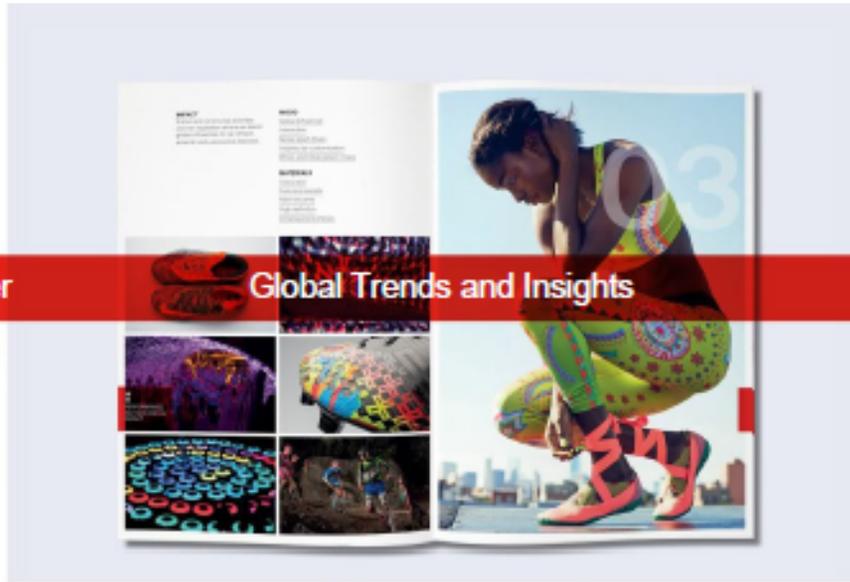
Net sales in 2016 increased approximately 2% compared to 2015 primarily due to higher volume. Net sales grew approximately 4% on an organic basis.\*

Chart scales are approximate.

\*Organic sales change is a non-GAAP financial measure. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" for definition of and qualifications for this measure, as well as a reconciliation to the most directly comparable GAAP financial measure.



Consumer



Global Trends and Insights



Innovation



Consumer Experience



Branding Solutions



Technology





**INCREASE**  
in “ability to find all items”  
= essential component to  
improving Net Promoter  
Score<sup>1</sup>



**~65-90% FEWER  
MARKDOWNS**  
for an RFID enabled  
brand vs. non-RFID-  
enabled brands<sup>2</sup>



Inventory Accuracy  
**UP TO 20% HIGHER**  
on average than  
comparison brands<sup>3</sup>

A central graphic featuring a computer monitor displaying '325%' in a large, bold, black font, with a red upward-pointing arrow behind the text. To the left of the monitor are two blue shopping bags. Below the monitor is a blue credit card. To the right is a grey smartphone with a white Wi-Fi signal icon. Below the smartphone is a black clothing rack with several blue shirts hanging on it.

**325%**

**INCREASE**  
increase in omnichannel  
sales enabled by “pick  
to the last unit”<sup>4</sup>

**UP TO 9X MORE**  
sales from RFID  
enabled back to  
front replenishment<sup>5</sup>

