

Avery Dennison Corp
Form 8-K
April 25, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) **April 19, 2018**

AVERY DENNISON CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1 -7685
(Commission
File Number)

95-1492269
(IRS Employer
Identification No.)

207 Goode Avenue
Glendale, California
(Address of principal executive offices)

91203
(Zip Code)

Registrant's telephone number, including area code **(626) 304-2000**

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(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Section 2 - Financial Information

Item 2.02 Results of Operations and Financial Condition.

Avery Dennison Corporation's (the "Company") press release, dated April 25, 2018, regarding the Company's preliminary, unaudited financial results for first quarter 2018 and updated guidance for the 2018 fiscal year, is attached hereto as Exhibit 99.1 and is being furnished (not filed) with this Form 8-K.

The Company's supplemental presentation materials, dated April 25, 2018, regarding the Company's preliminary, unaudited financial review and analysis for first quarter 2018 and updated guidance for the 2018 fiscal year, is attached hereto as Exhibit 99.2 and is being furnished (not filed) with this Form 8-K. The press release and presentation materials are also available on the Company's website at www.investors.averydennison.com.

The Company will discuss its preliminary, unaudited financial results during a webcast and teleconference today, April 25, 2018, at 12:00 p.m. ET. To access the webcast and teleconference, please go to the Company's website at www.investors.averydennison.com.

Item 2.05 Costs Associated with Exit or Disposal Activities

On April 19, 2018, the Company approved a restructuring plan (the "Plan") associated with the consolidation of the European footprint of its Label and Graphic Materials segment, which is expected to result in a net reduction in headcount of approximately 150 positions. The Company expects the Plan to be largely complete by the end of 2019.

Total pretax restructuring charges associated with the Plan are estimated at approximately \$70 million. Of these charges, \$6.9 million represents non-cash asset impairment charges, all of which were recorded in the first quarter of 2018. The remaining charges, which relate to cash costs primarily for severance, will largely be recognized during the second quarter of 2018; the vast majority of the cash payments associated with these charges will be made in 2019.

The charges that the Company expects to incur in connection with the Plan are subject to a number of assumptions, and actual results may differ. The Company may also incur additional charges not currently contemplated due to events that may occur as a result of, or associated with, the Plan.

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1 Press release, dated April 25, 2018, regarding the Company's preliminary, unaudited first quarter 2018 financial results.

99.2 Supplemental presentation materials, dated April 25, 2018, regarding the Company's preliminary, unaudited financial review and analysis for first quarter 2018.

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

Certain statements contained in this report on Form 8-K and in Exhibits 99.1 and 99.2 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. Actual results and trends may differ materially from historical or anticipated results depending on a variety of factors, including but are not limited to, risks and uncertainties relating to the following: fluctuations in demand affecting sales to customers; worldwide and local economic conditions; changes in political conditions; changes in governmental laws and regulations; fluctuations in foreign currency exchange rates and other risks associated with foreign operations, including in emerging markets; the financial condition and inventory strategies of customers; changes in customer preferences;

fluctuations in cost and availability of raw materials; the Company's ability to generate sustained productivity improvement; the Company's ability to achieve and sustain targeted cost reductions; the impact of competitive products and pricing; loss of significant contracts or customers; collection of receivables from customers; selling prices; business mix shift; execution and integration of acquisitions; timely development and market acceptance of new products, including sustainable or sustainably-sourced products; investment in development activities and new production facilities; amounts of future dividends and share repurchases; customer and supplier concentrations; successful implementation of new manufacturing technologies and installation of manufacturing equipment; disruptions in information technology systems, including cyber-attacks or other intrusions to network security; successful installation of new or upgraded information technology systems; data security breaches; volatility of financial markets; impairment of capitalized assets, including goodwill and other intangibles; credit risks; the Company's ability to obtain adequate financing arrangements and maintain access to capital; fluctuations in interest and tax rates; changes in tax laws and regulations including the Tax Cuts and Jobs Act, and uncertainties associated with interpretations of such laws and regulations; outcome of tax audits; fluctuations in pension, insurance, and employee benefit costs; the impact of legal and regulatory proceedings, including with respect to environmental, health and safety; protection and infringement of intellectual property; the impact of epidemiological events on the economy and the Company's customers and suppliers; acts of war, terrorism, and natural disasters; and other factors.

The Company believes that the most significant risk factors that could affect its financial performance in the near-term include: (1) the impacts of global economic conditions and political uncertainty on underlying demand for the Company's products and foreign currency fluctuations; (2) the degree to which higher costs can be offset with productivity measures and/or passed on to customers through selling price increases, without a significant loss of volume; (3) competitors' actions, including pricing, expansion in key markets, and product offerings; and (4) the execution and integration of acquisitions.

For a more detailed discussion of these and other factors, see Part I, Item 1A. Risk Factors and Part II, Item 7. Management's Discussion and Analysis of Results of Operations and Financial Condition in the Company's 2017 Form 10-K, filed with the Securities and Exchange Commission on February 21, 2018. The forward-looking statements included in this Form 8-K are made only as of the date of this Form 8-K, and the Company undertakes no obligation to update these statements to reflect subsequent events or circumstances, other than as may be required by law.

EXHIBIT INDEX

Exhibit No.	Description
99.1	<u>Press release, dated April 25, 2018, regarding the Company's preliminary, unaudited first quarter 2018 financial results.</u>
99.2	<u>Supplemental presentation materials, dated April 25, 2018, regarding the Company's preliminary, unaudited financial review and analysis for first quarter 2018.</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AVERY DENNISON CORPORATION

Date: April 25, 2018

By: /s/ Gregory S. Lovins

Name:

Gregory S. Lovins

Title:

Senior Vice President and Chief Financial
Officer