CCL Industries Inc.
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News Release

For Immediate Release, Wednesday, May 15, 2019
Stock Symbols: TSX – CCL.A and CCL.B

CCL Industries Announces First Quarter Results

First Quarter Highlights

- **Adjusted basic earnings per Class B share(3) of $0.71 up 2.9%; basic earnings per Class B share of $0.70 up 4.5%; currency translation negligible**
- **Sales increased 8.6% on 4.2% CCL and 2.8% Avery organic growth; Checkpoint declined 1.8% compared to 16.8% constant currency increase in the prior year period**
- **Innovia performance improved sequentially and comparatively; $14.6 million operating income(1)**
- **15.4% operating margin(1) down 90 bps driven by CCL Segment mix**
- **Adopted IFRS 16 lease accounting standard adding $167.5 million in lease liabilities, $10.9 million EBITDA, $1.7 million operating income offset by $1.7 million interest expense**

Toronto, May 15, 2019 - CCL Industries Inc. ("the Company"), a world leader in specialty label, security and packaging solutions for global corporations, government institutions, small businesses and consumers, today reported 2019 first quarter results.

Sales for the first quarter of 2019 increased 8.6% to $1,332.1 million, compared to $1,227.1 million for the first quarter of 2018, with 2.9% organic growth, 5.2% acquisition related growth and 0.5% positive impact from foreign currency translation.

Operating income(1) for the first quarter of 2019 was $204.8 million compared to $200.6 million for the comparable quarter of 2018. Operating income(1) improved 1.9% excluding currency translation.

Restructuring and other items was a $1.4 million expense for the 2019 first quarter, primarily for severance costs associated with the Innovia UK operations. For the first quarter of 2018, restructuring and other items summed to $3.3 million principally for the Checkpoint restructuring and other acquisition-related transaction costs.

Tax expense for the first quarter of 2019 was $44.6 million compared to $41.4 million in the prior year period. The effective tax rate for the 2019 first quarter was 26.7% compared to 26.0% for the 2018 first quarter, reflecting a higher portion of tax expense in higher taxed jurisdictions.

Net earnings were $123.6 million for the 2019 first quarter compared to $118.7 million for the 2018 first quarter. Basic and adjusted basic earnings per Class B share(3) were $0.70 and $0.71, respectively, compared to basic and adjusted basic earnings per Class B share(3) of $0.67 and $0.69, respectively, in the prior year first quarter.

Geoffrey T. Martin, President and Chief Executive Officer, commented, "First quarter 2019 performance was in line with our expectations. The CCL Segment posted good 4.2% organic growth, especially given tough comparisons to the exceptional prior year in polymer currency at CCL Secure. Resulting lower profit in polymer currency was also largely responsible for the decline in Segment operating margin despite CCL Secure remaining significantly above the average; comparisons ease substantially in the second quarter. Food & Beverage delivered very strong growth and improved profitability. Good results for labels and tubes at Home & Personal Care more than offset a soft quarter in aerosols, while Healthcare & Specialty performance was flat. CCL Design performance included a modest decline in automotive sales more than offset by share gains in electronics. Checkpoint also faced an exceptional comparison with significant chain wide hardware orders for two large retailers driving 16.8% constant currency growth in the prior year period. Excluding sales to these two customers, first quarter underlying performance in the base business was good, while sales of apparel labels and tags, including those with RFID inlays, grew double digit. Avery results had a low prior year hurdle as fourth quarter 2017 buy forwards for legacy product lines ahead of a price increase created a soft 2018 first quarter. Direct-to-consumer product lines continued to grow at double-digit organic rates with strong operating margins. Price increases, productivity, better mix and stable resin cost combined to yield improved profitability at Innovia's legacy operations. The Treofan acquisition contributed positively to results with the new extrusion line in Mexico planned to start up in June."

Mr. Martin continued, "Foreign currency translation had a negligible impact on earnings per Class B share for the first quarter of 2019. At today's Canadian dollar exchange rates, currency translation would be a slight tailwind, if sustained, for the second quarter of 2019."

Mr. Martin concluded, "The Company finished the quarter with a strong balance sheet. The Company's net leverage ratio(5), increased to 2.1 times EBITDA as a result of the new IFRS accounting standard for leases that added $167.5 million of long-term lease liabilities to the balance sheet without a proportionate increase in EBITDA. Impact on cash flow was zero. Combined $495.8 million cash-on-hand and US$428.6 million undrawn capacity on our syndicated revolving credit facility gives ample capacity to continue our strategic tuck-in acquisitions globally. With a strong free cash flow outlook for the balance of the year and beyond, the Board of Directors declared a quarterly dividend of $0.17 per Class B non-voting share and $0.1675 per Class A voting share, payable to shareholders of record at the close of business on June 14, 2019, to be paid on June 28, 2019."

2019 Reporting Changes

The Company adopted IFRS 16 *Leases* on January 1, 2019, using the modified retrospective approach. Accordingly, the comparative information for 2018 has not been restated. The following table illustrates the impact of the new standard on Q1 2019 operating income(1) and EBITDA(2).

(millions of CDN $)	As reported March 2019	IFRS 16 Adjustments March 2019	Pro-Forma March 2019	As reported March 2018
Operating income[1]				
CCL	$ 142.0	$ (1.0)	$ 141.0	$ 146.3
Avery	27.9	(0.3)	27.6	24.0
Checkpoint	20.3	(0.3)	20.0	22.8
Innovia	14.6	(0.1)	14.5	7.5
	$ 204.8	$ (1.7)	$ 203.1	$ 200.6
EBITDA[2]				
CCL	$ 197.1	$ (6.0)	$ 191.1	$ 194.6
Avery	33.8	(1.9)	31.9	27.9
Checkpoint	29.3	(2.2)	27.1	30.3
Innovia	25.0	(0.7)	24.3	15.4
Corporate	(13.9)	(0.1)	(14.0)	(18.8)
	$ 271.3	$ (10.9)	$ 260.4	$ 249.4

2019 First Quarter Highlights

CCL

- Sales increased 5.4% to $851.1 million, with 4.2% organic growth, 0.7% acquisition contribution and 0.5% positive impact from currency translation
- Regional organic sales growth: mid-single digit in the Americas and low-single digit in Europe and Asia Pacific
- Operating income[1] $142.0 million, 16.7% operating margin[1], compared to $146.3 million, for 2018 first quarter, on lower results at CCL Secure
- Label joint ventures added $0.01 earnings per Class B share

Avery

- Sales increased 7.7% to $157.6 million, with 2.8% organic growth, 2.7% acquisition contribution and 2.2% positive impact from currency translation
- Operating income[1] $27.9 million, 17.7% operating margin[1], compared to $24.0 million for 2018 first quarter

Checkpoint

- Sales down 2.2% to $173.5 million, on organic decline of 1.8%, and 0.4% negative impact from foreign currency translation
- Operating income[1] $20.3 million, 11.7% operating margin[1], compared to $22.8 million, for 2018 first quarter

Innovia

- Sales increased 56.6% to $149.9 million, with 56.3% acquisition contribution, 0.8% organic growth partially offset by 0.5% negative impact from foreign currency translation

- Operating income(1) was $14.6 million, 9.7% operating margin, compared to $7.5 million for 2018 first quarter
- New Mexican manufacturing line scheduled for late second quarter 2019 start-up

CCL will hold a conference call at 7:30 a.m. EDT on May 15, 2019, to discuss these results. The analyst presentation will be posted on the Company's website.

To access this call, please dial:

1–844-347-1036 Toll Free
1–209-905-5911 International Dial-In Number
Optional Conference Passcode: 4099204

Audio replay service will be available from May 15, 2019, at 10:30 a.m. EDT until May 30, 2019, at 10:30 a.m. EDT.

To access Conference Replay, please dial:
1– 855-859-2056 Toll Free
1– 404-537-3406 International Dial-In Number
Conference Passcode: 4099204

For more information on CCL, visit our website - www.cclind.com or contact:

Sean Washchuk	Senior Vice President and Chief Financial Officer	416-756-8526

Forward-looking Statements

This press release contains forward-looking information and forward-looking statements (hereinafter collectively referred to as "forward-looking statements"), as defined under applicable securities laws, that involve a number of risks and uncertainties. Forward-looking statements include all statements that are predictive in nature or depend on future events or conditions. Forward-looking statements are typically identified by the words "believes," "expects," "anticipates," "estimates," "intends," "plans" or similar expressions. Statements regarding the operations, business, financial condition, priorities, ongoing objectives, strategies and outlook of the Company, other than statements of historical fact, are forward-looking statements. Specifically, this press release contains forward-looking statements regarding the anticipated growth in sales, the impact of foreign currency exchange rates for the next quarters; the start-up of the new film line in Mexico in June 2019; the strength of the Company's cash flow; income and profitability of the Company's segments; and the Company's expectations regarding general business and economic conditions.

Forward-looking statements are not guarantees of future performance. They involve known and unknown risks and uncertainties relating to future events and conditions including, but not limited to, the impact of competition; consumer confidence and spending preferences; general economic and geopolitical conditions; currency exchange rates; interest rates and credit availability; technological change; changes in government regulations; risks associated with operating and product hazards; and the Company's ability to attract and retain qualified employees. Do not unduly rely on forward-looking statements as the Company's actual results could differ materially from those anticipated in these forward-looking statements. Forward-looking statements are also based on a number of assumptions, which may prove to be incorrect, including, but not limited to, assumptions about the following: global economic environment and higher consumer spending; improved customer demand for the Company's products; continued historical growth trends, market growth in specific sectors and entering into new sectors; the Company's ability to provide a wide range of products to multinational customers on a global basis; the benefits of the Company's focused strategies and operational approach; the achievement of the Company's plans for improved efficiency and lower costs, including stable aluminum costs; the availability of cash and credit; fluctuations of currency exchange rates; fluctuations in resin prices; the Company's continued relations with its customers; the Company's estimated annual cost reductions; and economic conditions. Should one or more risks materialize or should any assumptions prove incorrect, then actual results could vary materially from those expressed or implied in the forward-looking statements. Further details on key risks can be found in the 2018 Annual Report, Management's Discussion and Analysis, particularly under Section 4: "Risks and Uncertainties." CCL Industries Inc.'s annual and quarterly reports can be found online at www.cclind.com and www.sedar.com or are available upon request.

Except as otherwise indicated, forward-looking statements do not take into account the effect that transactions or non-recurring or other special items announced or occurring after the statements are made may have on the Company's business. Such statements do not, unless otherwise specified by the Company, reflect the impact of dispositions, sales of assets, monetizations, mergers, acquisitions, other business combinations or transactions, asset write-downs or other charges announced or occurring after forward-looking statements are made. The financial impact of these transactions and non-recurring and other special items can be complex and depends on the facts particular to each of them and therefore cannot be described in a meaningful way in advance of knowing specific facts. The forward-looking statements are provided as of the date of this press release and the Company does not assume any obligation to update or revise the forward-looking statements to reflect new events or circumstances, except as required by law.

The financial information presented herein has been prepared on the basis of IFRS for financial statements and is expressed in Canadian dollars unless otherwise stated.

Financial Information

CCL Industries Inc.

Consolidated condensed interim statements of financial position
Unaudited

In millions of Canadian dollars

	As at March 31, 2019	As at December 31, 2018
Assets		
Current assets		
Cash and cash equivalents	$ 495.8	$ 589.1
Trade and other receivables	981.4	938.0
Inventories	536.9	524.6
Prepaid expenses	33.3	34.8
Income taxes recoverable	33.4	38.7
Total current assets	2,080.8	2,125.2
Non-current assets		
Property, plant and equipment	1,800.8	1,797.5
Right-of-use assets*	162.3	-
Goodwill	1,813.7	1,830.3
Intangible assets	1,103.4	1,138.9
Deferred tax assets	30.8	32.5
Equity-accounted investments	60.7	59.8
Other assets	33.1	34.3
Derivative instruments	15.6	9.1
Total non-current assets	5,020.4	4,902.4
Total assets	**$ 7,101.2**	**$ 7,027.6**
Liabilities		
Current liabilities		
Trade and other payables	$ 1,056.5	$ 1,223.4
Current portion of long-term debt	2.0	71.8
Lease liabilities*	37.0	-
Income taxes payable	49.1	51.2
Derivative instruments	0.2	0.5
Total current liabilities	1,144.8	1,346.9
Non-current liabilities		
Long-term debt	2,504.0	2,419.8
Lease liabilities*	130.5	-
Deferred tax liabilities	231.7	216.6
Employee benefits	314.5	320.0
Provisions and other long-term liabilities	11.9	10.6
Derivative instruments	33.0	40.6
Total non-current liabilities	3,225.6	3,007.6
Total liabilities	4,370.4	4,354.5
Equity		
Share capital	342.1	306.3
Contributed surplus	67.8	92.7
Retained earnings	2,332.3	2,238.9
Accumulated other comprehensive income (loss)	(11.4)	35.2
Total equity attributable to shareholders of the Company	2,730.8	2,673.1
Total liabilities and equity	**$ 7,101.2**	**$ 7,027.6**

* Upon adoption of IFRS 16 – *Leases,* on January 1, 2019, the Company now recognizes right-of-use assets and lease liabilities within its consolidated condensed interim statements of financial position

CCL Industries Inc.

Consolidated condensed interim income statements
Unaudited

In millions of Canadian dollars, except per share information	Three Months Ended March 31	
	2019	**2018**
Sales	$ 1,332.1	$ 1,227.1
Cost of sales	946.0	849.9
Gross profit	386.1	377.2
Selling, general and administrative expenses	195.6	195.7
Restructuring and other items	1.4	3.3
Earnings in equity-accounted investments	(1.1)	(0.9)
	190.2	**179.1**
Finance cost	21.4	19.9
Finance income	(1.1)	(0.9)
Interest on lease liabilities	1.7	-
Net finance cost	22.0	19.0
Earnings before income tax	**168.2**	**160.1**
Income tax expense	44.6	41.4
Net earnings	**$ 123.6**	**$ 118.7**
Earnings per share		
Basic earnings per Class B share	**$ 0.70**	**$ 0.67**
Diluted earnings per Class B share	**$ 0.69**	**$ 0.66**

CCL Industries Inc.

Consolidated condensed interim statements of cash flows
Unaudited

In millions of Canadian dollars	Three Months Ended March 31 2019	2018
Cash provided by (used for)		
Operating activities		
Net earnings	$ 123.6	$ 118.7
Adjustments for:		
Property, plant and equipment depreciation	57.3	55.1
Right-of-use assets depreciation	9.2	-
Intangibles amortization	14.3	12.8
Earnings from equity-accounted investments, net of dividends received	(1.1)	(0.9)
Net finance costs	22.0	19.0
Current income tax expense	31.4	40.0
Deferred tax expense	13.2	1.4
Equity-settled share-based payment transactions	6.1	7.1
Gain on sale of property, plant and equipment	(0.6)	(1.1)
	275.4	252.1
Change in inventories	(12.2)	(57.2)
Change in trade and other receivables	(43.3)	(71.7)
Change in prepaid expenses	1.5	(0.4)
Change in trade and other payables	(180.2)	(14.3)
Change in income taxes receivable and payable	3.8	3.1
Change in employee benefits	(5.6)	1.9
Change in other assets and liabilities	7.1	4.0
	46.5	117.5
Net interest paid	(14.0)	(17.3)
Income taxes paid	(27.5)	(25.9)
Cash provided by operating activities	**5.0**	**74.3**
Financing activities		
Proceeds on issuance of long-term debt	104.0	41.2
Repayment of long-term debt	(43.9)	(57.5)
Payment of lease liabilities	(8.6)	-
Proceeds from issuance of shares	4.8	13.1
Dividends paid	(30.2)	(23.0)
Cash provided by (used for) financing activities	**26.1**	**(26.2)**
Investing activities		
Additions to property, plant and equipment	(97.3)	(109.1)
Proceeds on disposal of property, plant and equipment	2.1	3.8
Business acquisitions and other long-term investments	(16.8)	(8.0)
Cash used for investing activities	**(112.0)**	**(113.3)**
Net decrease in cash and cash equivalents	(80.9)	(65.2)
Cash and cash equivalents at beginning of period	589.1	557.5
Translation adjustments on cash and cash equivalents	(12.4)	24.2
Cash and cash equivalents at end of the period	**$ 495.8**	**$ 516.5**

CCL Industries Inc.

Segment Information
Unaudited

In millions of Canadian dollars

	Sales		Operating Income	
	Three Months Ended March 31			
	2019	2018	2019	2018
CCL	$ 851.1	$ 807.7	$ 142.0	$ 146.3
Avery	157.6	146.3	27.9	24.0
Checkpoint	173.5	177.4	20.3	22.8
Innovia	149.9	95.7	14.6	7.5
Total operations	$ 1,332.1	$ 1,227.1	$ 204.8	$ 200.6
Corporate expense			(14.3)	(19.1)
Restructuring and other items			(1.4)	(3.3)
Earnings in equity accounted investments			1.1	0.9
Net finance cost			(22.0)	(19.0)
Income tax expense			(44.6)	(41.4)
Net earnings			$ 123.6	$ 118.7

	Total Assets		Total Liabilities		Depreciation and Amortization		Capital Expenditures	
	March 31 2019	December 31 2018	March 31 2019	December 31 2018	Three Months Ended March 31 2019	2018	Three Months Ended March 31 2019	2018
CCL	$ 3,790.1	$ 3,645.8	$ 990.6	$ 947.5	$ 55.1	$ 48.3	$ 81.2	$ 89.1
Avery	668.9	637.4	237.7	237.3	5.9	3.9	2.8	2.6
Checkpoint	983.2	978.0	447.9	451.2	9.0	7.5	5.8	11.6
Innovia	1,122.1	1,140.7	245.1	225.2	10.4	7.9	7.5	4.7
Equity accounted investments	60.7	59.8	-	-	-	-	-	-
Corporate	476.2	565.9	2,449.1	2,493.3	0.4	0.3	-	1.1
Total	$ 7,101.2	$ 7,027.6	$ 4,370.4	$ 4,354.5	$ 80.8	$ 67.9	$ 97.3	$ 109.1

Non-IFRS Measures

(1) Operating income and operating income margin are key non-IFRS financial measures used to assist in understanding the profitability of the Company's business units. Operating income is defined as earnings before corporate expenses, net finance cost, goodwill impairment loss, earnings in equity accounted investments, restructuring and other items, and taxes. Operating income margin, also known as return on sales, is defined as operating income over sales.

(2) EBITDA is a critical non-IFRS financial measure used extensively in the packaging industry and other industries to assist in understanding and measuring operating results. EBITDA is also considered as a proxy for cash flow and a facilitator for business valuations. This non-IFRS financial measure is defined as earnings before net finance cost, taxes, depreciation and amortization, goodwill impairment loss, non-cash acquisition accounting adjustments to inventory, earnings in equity accounted investments and restructuring and other items. The Company believes that this is an important measure as it allows management to assess the ongoing business without the impact of net finance cost, depreciation and amortization and income tax expenses, as well as non-operating factors and one-time items. As a proxy for cash flow, it is intended to indicate the Company's ability to incur or service debt and to invest in property, plant and equipment, and it allows management to compare the business to those of the Company's peers and competitors who may have different capital or organizational structures. EBITDA is tracked by financial analysts and investors to evaluate financial performance and is a key metric in business valuations. EBITDA is considered an important measure by lenders to the Company and is included in the financial covenants included in the senior notes and bank lines of credit.

Unaudited

(In millions of Canadian dollars)

	Three months ended March 31	
	2019	**2018**
Net earnings	$ 123.6	$ 118.7
Corporate expense	14.3	19.1
Earnings in equity-accounted investments	(1.1)	(0.9)
Finance cost, net	22.0	19.0
Restructuring and other items	1.4	3.3
Income taxes	44.6	41.4
Operating income (a non-IFRS measure)	$ 204.8	$ 200.6
Less: Corporate expense	(14.3)	(19.1)
Add: Depreciation and amortization	80.8	67.9
EBITDA	$ 271.3	$ 249.4

(3) Adjusted basic earnings per Class B share is an important non-IFRS measure to assist in understanding the ongoing earnings performance of the Company excluding items of a one-time or non-recurring nature. It is not considered a substitute for basic net earnings per Class B share but it does provide additional insight into the ongoing financial results of the Company. This non-IFRS financial measure is defined as basic net earnings per Class B share excluding gains on business dispositions, goodwill impairment loss, non-cash acquisition accounting adjustments to inventory, restructuring and other items, and tax adjustments.

Reconciliation of Basic Earnings per Class B Share to Adjusted Basic Earnings per Class B Share

Unaudited

	Three Months ended March 31	
	2019	**2018**
Basic earnings per Class B Share	$ 0.70	$ 0.67
Net loss from restructuring and other items	0.01	0.02
Adjusted Basic Earnings per Class B Share	$ 0.71	$ 0.69

(4) Free Cash Flow from Operations – A measure indicating the relative amount of cash generated by the Company during the year and available to fund dividends, debt repayments and acquisitions. It is calculated as cash flow from operations less capital expenditures, net of proceeds from the sale of property, plant and equipment.

The following table reconciles the measure of free cash flow from operations to IFRS measures reported in the consolidated statements of cash flows for the periods ended as indicated.

Free Cash Flow from Operations	**March 31, 2019**
Cash provided by operating activities	**$** 5.0
Less: Additions to property, plant and equipment	(97.3)
Add: Proceeds on disposal of property, plant and equipment	2.1
Free Cash Flow from Operations	**$** (90.2)

(5) Leverage ratio is a measure that indicates the Company's ability to service its existing debt. Leverage ratio is calculated as net debt divided by EBITDA.

	March 31, 2019
Unaudited (In millions of Canadian dollars)	
Current debt	**$ 2.0**
Current lease liabilities	**37.0**
Long-term debt	**2,504.0**
Long-term lease liabilities	**130.5**
Total debt	**$ 2,673.5**
Cash and cash equivalents	**(495.8)**
Net debt	**$ 2,177.7**
Proforma EBITDA for 12 months ending March 31, 2019 (see below)	**1,039.1**
Leverage Ratio	**2.10**
EBITDA for 12 months ended December 31, 2018	**$ 995.3**
less: EBITDA for three months ended March 31, 2018	**(249.4)**
add: EBITDA for three months ended March 31, 2019	**271.3**
add: proforma lease expense*	**21.9**
Proforma EBITDA for 12 months ended March 31, 2019	**$ 1,039.1**

* Proforma lease expense represents the estimated lease expenses for the nine months ended December 31, 2018

Supplemental Financial Information

Sales Change Analysis
Revenue Growth Rates (%)

Three Months Ended March 31, 2019				
	Organic Growth	**Acquisition Growth**	**FX Translation**	**Total**
CCL	4.2%	0.7%	0.5%	5.4%
Avery	2.8%	2.7%	2.2%	7.7%
Checkpoint	(1.8%)	-	(0.4%)	(2.2%)
Innovia	0.8%	56.3%	(0.5%)	56.6%
Total	2.9%	5.2%	0.5%	8.6%

Business Description

CCL Industries Inc. employs approximately 21,000 people operating 170 production facilities in 40 countries with corporate offices in Toronto, Canada, and Framingham, Massachusetts. CCL is the world's largest converter of pressure sensitive and specialty extruded film materials for a wide range of decorative, instructional, functional and security applications for government institutions and large global customers in the consumer packaging, healthcare & chemicals, consumer electronic device and automotive markets. Extruded & laminated plastic tubes, aluminum aerosols & specialty bottles, folded instructional leaflets, precision decorated & die cut components, electronic displays, polymer banknote substrate and other complementary products and services are sold in parallel to specific end-use markets. Avery is the world's largest supplier of labels, specialty converted media and software solutions for short-run digital printing applications for businesses and consumers available alongside complementary products sold through distributors, mass market stores and e-commerce retailers. Checkpoint is a leading developer of RF and RFID based technology systems for loss prevention and inventory management applications, including labeling and tagging solutions, for the retail and apparel industries worldwide. Innovia is a leading global producer of specialty, high performance, multi-layer, surface engineered films for label, packaging and security applications. The Company is partly backward integrated into materials science with capabilities in polymer extrusion, adhesive development, coating & lamination, surface engineering and metallurgy; deployed as needed across the four business segments.