CCL Industries Inc.
111 Gordon Baker Road, Suite 801, Toronto, ON M2H 3R1, Canada
Tel +1 (416) 756-8500 www.cclind.com

News Release

For Immediate Release, Friday, November 13, 2020
Stock Symbols: TSX – CCL.A and CCL.B

CCL Industries Announces Record Quarterly Results

Third Quarter Highlights

- **Adjusted basic earnings per Class B share(3) of $0.93 up 29.2%; basic earnings per Class B share of $0.86 up 21.1%; currency $0.02 per Class B share positive impact**
- **Sales increased 1.2% on 2.5% organic decline offset by 2.2% acquisition growth and 1.5% positive currency translation**
- **CCL Segment sales increased 5.5%, 4.2% organically; operating income(1) up 26.4%**
- **Checkpoint and Innovia operating income(1) up 5.7% and 225.8%, respectively**
- **Consolidated operating margin(1) of 17.9%, up 240 bps**

Nine-Month Highlights

- **Adjusted basic earnings per Class B share(3) of $2.24 up 5.7%; basic earnings per Class B share of $2.15 up 2.9%; currency $0.01 per Class B share positive impact**
- **Sales down 3.8%, principally on declines at Avery and Checkpoint**
- **Consolidated operating income(1) down 0.5%, driven by declines of 29.0% and 32.6% for Avery and Checkpoint, respectively**
- **Consolidated operating margin(1) 15.7%, up 50 bps**

Toronto, November 13, 2020 - 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 2020 third quarter results.

Sales for the third quarter of 2020 increased 1.2% to $1,373.4 million, compared to $1,357.1 million for the third quarter of 2019, with 2.5% organic decline offset by 2.2% acquisition-related growth and 1.5% positive impact from foreign currency translation.

Operating income(1) for the third quarter of 2020 increased 17.4% to $246.3 million compared to $209.8 million for the comparable quarter of 2019. Operating income(1) increased 16.0%, excluding currency translation.

Restructuring and other items were a $16.2 million expense for the 2020 third quarter that included severance costs principally for the Checkpoint and Avery Segments amounting to $6.8 million and the final judgement for an Innovia pre-acquisition lawsuit that exceeded the acquisition accrual by $9.4 million. For the third quarter of 2019, restructuring and other items totaled $1.7 million primarily for severance costs associated with the CCL Segment and other acquisition transaction costs.

Tax expense for the third quarter of 2020 was $50.6 million compared to $43.9 million in the prior year period. The effective tax rate for the 2020 and 2019 third quarters was 25.1% and 25.7%, respectively.

Net earnings were $153.3 million for the 2020 third quarter compared to $127.7 million for the 2019 third quarter. Basic and adjusted basic earnings per Class B share(3) for the third quarter of 2020 were $0.86 and $0.93, respectively, compared to basic and adjusted basic earnings per Class B share(3) of $0.71 and $0.72, respectively, in the prior year third quarter. Foreign currency translation had a positive impact of $0.02 on earnings per share.

For the nine-month period ended September 30, 2020, sales and operating income(1) declined 3.8% and 0.5% to $3.9 billion and $610.2 million, respectively, however net earnings increased 3.0% to $383.8 million, compared to the same nine-month period in 2019. The 2020 nine-month period included results from thirteen acquisitions completed since January 1, 2019, delivering acquisition-related sales growth for the period of 1.8%. Organic sales decline was 5.9% and foreign currency translation was a 0.3% positive impact. For the nine-month period ended September 30, 2020, basic and adjusted basic earnings per Class B share(3) were $2.15 and $2.24, respectively, compared to basic and adjusted basic earnings per Class B share(3) of $2.09 and $2.12, respectively, in the prior year nine-month period. Foreign currency translation had a positive impact of $0.01 on earnings per share.

Geoffrey T. Martin, President and Chief Executive Officer, commented, “I am very pleased to report record quarterly earnings. This outstanding performance, in the midst of ‘once in a generation’ pandemic challenges, speaks to the resilience of our business model and the unrelenting commitment and dedication of our front line people around the world. Supported by our global leadership team, they met diverse needs of customers, delivering industry-leading quality, service and operational improvement, while ensuring the health and safety of our entire organization during highly unusual operating conditions.”

Mr. Martin continued, “The CCL Segment posted organic sales growth of 4.2% and a 300 basis point improvement in operating margin. CCL Secure’s performance improved significantly on favourable mix coupled with unusually strong demand for currency. Both CCL Design electronics and Healthcare & Specialty maintained second quarter momentum, as sales increased on share gains and higher consumer demand from the pandemic driving strong profit improvement. CCL Design automotive sales and profitability rebounded much faster than expected from the industry shutdown. Home & Personal Care label sales increased, especially in the United States, as high demand for skin sanitizers and cleansers significantly improved profitability. Tube sales for beauty, cosmetic and skin care products sold in travel and specialty retail stores and hair salons recovered sequentially driving higher profits but results in aerosols declined on slow demand in the United States. Sleeve sales continued to grow on share gains in North America and recovering conditions in Brazil, more than offsetting slower markets in Europe. Pressure sensitive Food & Beverage label results declined as ‘on-premise’ demand, especially for mineral water and soft drinks, remains below normal levels. Earnings from our ventures in Russia and the Middle East were strong. Avery ‘WePrint’ and kids’ labels direct-to-consumer franchises were strong globally but not enough to offset steep declines in event and name badging as attended sports events, concerts, trade conventions and business meetings temporarily disappeared. Back-to-school performance, while initially encouraging, faded amid a somewhat chaotic return to schools and colleges in North America. Workplace-related demand improved sequentially, but remained below prior year, especially in the United States. Cost savings contributed to a creditable 20% operating margin. Checkpoint sales declined compared to a strong prior year in the MAS business but overall profitability improved as apparel labeling demand rebounded, results aided by strong growth in RFID and cost saving initiatives. Innovia demand softened after the second quarter pantry loading hike, but sales increased on the Polish acquisition; profitability gained dramatically on significantly improved mix, cost savings and productivity initiatives throughout the Segment.”

Mr. Martin added, “Although October activity levels were consistent with the summer recovery period, November and December are always affected by the holiday season and even in normal circumstances, difficult to predict. Clearly, the second wave of the virus is now impacting many parts of the world, with subsequent economic effects largely unknown. Regardless, the Company’s leadership priority is to ensure the health and safety of its employees and as necessary, adapt operations and cost structures to match activity levels as we have throughout the pandemic. Foreign currency translation could be a slight tailwind at current exchange rates for the fourth quarter compared to the same quarter in 2019.”

Mr. Martin concluded, “The Company completed the third quarter with a stronger balance sheet driven by persistent free cash flow(4), reducing the Company’s net leverage ratio(5) to 1.51 times adjusted EBITDA compared to 1.8 times at the end of 2020 second quarter. Our liquidity position was robust with cash-on-hand of $760.2 million and US$1.2 billion undrawn capacity on our syndicated revolving credit facility. Given the much-improved quarterly results, projected 2020 capital spending has been revised to approximately $290 million, still less than the $350 million originally planned. The Board of Directors declared its regular quarterly dividend of $0.18 per Class B non-voting share and $0.1775 per Class A voting share, payable to shareholders of record at the close of business on December 15, 2020, to be paid on December 29, 2020.”

2020 Third Quarter Segment Highlights

CCL

- Sales increased 5.5% to $877.0 million; 4.2% organic growth and 0.9% positive impact from currency translation and 0.4% acquisition contribution
- Regional organic sales performance: North America up low-single digit, Europe up mid-single digit, Latin America up double digit and Asia Pacific declined slightly
- Operating income(1) $160.8 million, 18.3% operating margin(1), up 300 bps
- Label joint ventures added $0.01 earnings per Class B share

Avery

- Sales decreased 14.1% to $178.4 million; 19.8% organic decline, 3.9% acquisition contribution and 1.8% positive impact from currency translation
- Operating income(1) $35.7 million, 20.0% operating margin(1), down 330 bps

Checkpoint

- Sales decreased 6.0% to $169.7 million; 8.5% organic decline, 0.7% acquisition contribution and 1.8% positive impact from foreign currency translation
- Operating income(1) $29.6 million, 17.4% operating margin(1), up 190 bps

Innovia

- Sales increased 7.6% to $148.3 million; 8.3% organic decline, 12.8% acquisition contribution and 3.1% positive impact from foreign currency translation
- Operating income(1) $20.2 million, 13.6% operating margin(1), up 910 bps

CCL will hold a conference call at 7:30 a.m. EST on Friday November 13, 2020, 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
3498305: Optional Conference Passcode

The press release and conference call presentation will be posted on the Company's website on Friday, November 13, 2020 – *www.cclind.com*.

Audio replay service for the conference call will be available Friday, November 13, 2020, at 10:30 a.m. EST until Sunday, November 29, 2020, at 10:30 a.m. EST.

To access Conference Replay, please dial:
1 (855) 859-2056 Toll Free
1 (404) 537-3406 International Dial-In Number
Conference Passcode: 3498305

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 continuing impact of the COVID-19 pandemic, the impact of foreign currency exchange rates for the next quarter; the levels of demand for the products of the Company's segments for the balance of 2020; the ability of the Company to continue to adapt operations and cost structures to changing activity levels; the level of capital spending; 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 extent and duration of the adverse impact of the COVID-19 pandemic on the Company, its employees, customers, suppliers, the global economy and financial markets; 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 consumer spending; customer demand for the Company's products; 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; trends for the CCL Segment's Healthcare & Specialty and CCL Design electronics businesses will remain resilient and augmented; management will successfully curtail cost structures to match reduced demand levels; the ability of the Company to participate in certain government assistance programs; the Company's expectation of the magnitude of the COVID-19 pandemic on certain of Avery Segment's direct-to-consumer businesses; consumable sales in grocery and drug store channels will remain solid for the Checkpoint Segment; mandatory closures and other restrictions imposed by governments on businesses as a result of the latest increase in the number of COVID-19 infections will generally be more targeted and more limited in duration than the closures and restrictions previously imposed in 2020 and will have a lesser adverse economic impact; governments will continue to phase-in the re-opening of retail stores and manufacturing facilities and positively impact the results for the Checkpoint Segment; the Checkpoint Segment will successfully align its cost structure to best match the downturn in volume while positioning operations for improved profitability; demand for consumer packaging and product labels will positively impact results for the Innovia Segment; the Innovia Segment will continue to benefit from pricing, productivity initiatives, mix and stable resin 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 2019 Annual Report, Management's Discussion and Analysis, particularly under Section 4: "Risks and Uncertainties" as well as the 2020 Third Quarter Report, Management's Discussion and Analysis under Section 12 "Risks and Strategies." 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 International Financial Reporting Standards (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 September 30, 2020		As at December 31, 2019	
Assets				
Current assets				
Cash and cash equivalents	$	760.2	$	703.6
Trade and other receivables		971.3		849.2
Inventories		552.8		481.6
Prepaid expenses		38.2		36.6
Income taxes recoverable		18.4		34.0
Derivative instruments		0.2		-
Total current assets		2,341.1		2,105.0
Non-current assets				
Property, plant and equipment		1,884.2		1,818.2
Right-of-use assets		163.3		146.5
Goodwill		1,907.7		1,794.4
Intangible assets		1,025.1		1,028.7
Deferred tax assets		32.6		30.8
Equity-accounted investments		63.3		62.0
Other assets		29.0		34.5
Derivative instruments		17.9		17.9
Total non-current assets		5,123.1		4,933.0
Total assets	**$**	**7,464.2**	**$**	**7,038.0**
Liabilities				
Current liabilities				
Trade and other payables	$	1,094.2	$	1,035.6
Current portion of long-term debt		63.9		38.8
Lease liabilities		35.5		35.3
Income taxes payable		44.0		38.1
Derivative instruments		-		0.2
Total current liabilities		1,237.6		1,148.0
Non-current liabilities				
Long-term debt		2,186.9		2,234.8
Lease liabilities		124.8		110.9
Deferred tax liabilities		268.2		245.4
Employee benefits		401.3		364.9
Provisions and other long-term liabilities		11.6		11.4
Derivative instruments		58.7		24.9
Total non-current liabilities		3,051.5		2,992.3
Total liabilities		4,289.1		4,140.3
Equity				
Share capital		370.0		365.5
Contributed surplus		91.7		81.5
Retained earnings		2,811.3		2,540.0
Accumulated other comprehensive loss		(97.9)		(89.3)
Total equity attributable to shareholders of the Company		3,175.1		2,897.7
Total liabilities and equity	**$**	**7,464.2**	**$**	**7,038.0**

CCL Industries Inc.

Consolidated condensed interim income statements
Unaudited

In millions of Canadian dollars, except per share information	Three Months Ended September 30 2020	Three Months Ended September 30 2019	Nine Months Ended September 30 2020	Nine Months Ended September 30 2019
Sales	$ 1,373.4	$ 1,357.1	$ 3,891.7	$ 4,043.4
Cost of sales	954.4	967.4	2,774.6	2,882.4
Gross profit	419.0	389.7	1,117.1	1,161.0
Selling, general and administrative expenses	185.0	198.0	537.2	594.8
Restructuring and other items	16.2	1.7	21.8	5.2
Earnings in equity-accounted investments	(2.5)	(1.1)	(5.5)	(3.4)
	220.3	**191.1**	**563.6**	**564.4**
Finance cost	15.4	18.8	46.4	59.9
Finance income	(0.6)	(0.9)	(1.9)	(2.7)
Interest on lease liabilities	1.6	1.6	4.9	4.9
Net finance cost	16.4	19.5	49.4	62.1
Earnings before income tax	**203.9**	**171.6**	**514.2**	**502.3**
Income tax expense	50.6	43.9	130.4	129.7
Net earnings for the period	**$ 153.3**	**$ 127.7**	**$ 383.8**	**$ 372.6**
Basic earnings per Class B share	**$ 0.86**	**$ 0.71**	**$ 2.15**	**$ 2.09**
Diluted earnings per Class B share	**$ 0.86**	**$ 0.71**	**$ 2.14**	**$ 2.08**

CCL Industries Inc.

Consolidated condensed interim statements of cash flows
Unaudited

In millions of Canadian dollars	Three Months Ended September 30 2020	Three Months Ended September 30 2019	Nine Months Ended September 30 2020	Nine Months Ended September 30 2019
Cash provided by (used for)				
Operating activities				
Net earnings	$ 153.3	$ 127.7	$ 383.8	$ 372.6
Adjustments for:				
Property, plant and equipment depreciation	62.2	58.3	185.2	174.9
Right-of-use assets depreciation	10.6	9.8	31.1	28.9
Intangibles amortization	14.3	14.0	43.1	42.4
Earnings in equity-accounted investments, net of dividends received	(2.5)	(0.5)	(2.0)	(0.1)
Net finance costs	16.4	19.5	49.4	62.1
Current income tax expense	45.6	42.0	112.6	107.2
Deferred tax expense	5.0	1.9	17.8	22.5
Equity-settled share-based payment transactions	3.5	13.5	11.0	27.0
Gain on sale of property, plant and equipment	-	(1.4)	(2.5)	(2.4)
	308.4	284.8	829.5	835.1
Change in inventories	19.8	9.5	(62.9)	(2.8)
Change in trade and other receivables	(33.6)	11.6	(100.4)	(17.4)
Change in prepaid expenses	(3.2)	(1.3)	(0.9)	(5.0)
Change in trade and other payables	5.6	(10.3)	14.4	(168.4)
Change in income taxes receivable and payable	1.7	(1.2)	6.6	(6.3)
Change in employee benefits	5.4	9.2	16.2	2.1
Change in other assets and liabilities	7.2	(10.4)	(27.7)	(16.4)
	311.3	291.9	674.8	620.9
Net interest paid	(3.1)	(11.4)	(35.1)	(49.6)
Income taxes paid	(30.5)	(22.3)	(88.3)	(90.5)
Cash provided by operating activities	**277.7**	**258.2**	**551.4**	**480.8**
Financing activities				
Proceeds on issuance of long-term debt	14.9	8.3	875.3	121.7
Repayment of long-term debt	(52.4)	(23.6)	(955.9)	(139.6)
Payment of lease liabilities	(10.3)	(9.4)	(34.0)	(27.3)
Proceeds from issuance of shares	0.4	1.9	3.7	13.0
Dividends paid	(32.1)	(30.3)	(96.4)	(90.8)
Cash used for financing activities	**(79.5)**	**(53.1)**	**(207.3)**	**(123.0)**
Investing activities				
Additions to property, plant and equipment	(47.5)	(74.8)	(204.6)	(285.8)
Proceeds on disposal of property, plant and equipment	0.2	1.9	14.3	6.4
Business acquisitions and other long-term investments	(10.9)	(0.1)	(111.2)	(33.2)
Cash used for investing activities	**(58.2)**	**(73.0)**	**(301.5)**	**(312.6)**
Net increase in cash and cash equivalents	140.0	132.1	42.6	45.2
Cash and cash equivalents at beginning of period	619.4	481.5	703.6	589.1
Translation adjustment on cash and cash equivalents	0.8	(12.3)	14.0	(33.0)
Cash and cash equivalents at end of period	**$ 760.2**	**$ 601.3**	**$ 760.2**	**$ 601.3**

CCL Industries Inc.

Segment Information
Unaudited

In millions of Canadian dollars

	Three Months Ended September 30				Nine Months Ended September 30			
	Sales		Operating Income		Sales		Operating Income	
	2020	2019	2020	2019	2020	2019	2020	2019
CCL	$ 877.0	$ 831.2	$ 160.8	$ 127.2	$ 2,497.4	$ 2,513.8	$ 416.4	$ 386.2
Avery	178.4	207.6	35.7	48.4	483.4	568.5	86.3	121.6
Checkpoint	169.7	180.5	29.6	28.0	446.2	531.3	48.1	71.4
Innovia	148.3	137.8	20.2	6.2	464.7	429.8	59.4	34.1
Total operations	$ 1,373.4	$ 1,357.1	$ 246.3	$ 209.8	$ 3,891.7	$ 4,043.4	$ 610.2	$ 613.3
Corporate expense			(12.3)	(18.1)			(30.3)	(47.1)
Restructuring and other items			(16.2)	(1.7)			(21.8)	(5.2)
Earnings in equity-accounted investments			2.5	1.1			5.5	3.4
Finance cost			(15.4)	(18.8)			(46.4)	(59.9)
Finance income			0.6	0.9			1.9	2.7
Interest on lease liabilities			(1.6)	(1.6)			(4.9)	(4.9)
Income tax expense			(50.6)	(43.9)			(130.4)	(129.7)
Net earnings			$ 153.3	$ 127.7			$ 383.8	$ 372.6

	Total Assets		Total Liabilities		Depreciation and Amortization Nine Months Ended September 30		Capital Expenditures Nine Months Ended September 30	
	September 30	December 31	September 30	December 31				
	2020	2019	2020	2019	2020	2019	2020	2019
CCL	$ 3,803.7	$ 3,634.3	$ 1,038.3	$ 964.1	$ 173.4	$ 165.8	$ 150.0	$ 230.8
Avery	729.0	638.2	237.9	236.7	19.7	17.8	14.9	10.5
Checkpoint	995.1	934.1	497.3	486.8	28.6	28.0	17.5	20.8
Innovia	1,155.6	1,090.8	302.4	261.7	36.5	33.4	22.2	23.4
Equity-accounted investments	63.3	62.0	-	-	-	-	-	-
Corporate	717.5	678.6	2,213.2	2,191.0	1.2	1.2	-	0.3
Total	$ 7,464.2	$ 7,038.0	$ 4,289.1	$ 4,140.3	$ 259.4	$ 246.2	$ 204.6	$ 285.8

Non-IFRS Measures

The Company measures the success of its business using a number of key performance measures, certain of which are not in accordance with IFRS. These non-IFRS measures do not have standardized meanings and may not be comparable to similar-named measures presented by other issuers. The non-IFRS measures should not be considered as an alternative to or replacement of net earnings or other measures of performance under IFRS.

(1) Operating income and operating income margin are 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) Adjusted EBITDA is a non-IFRS financial measure used extensively in the packaging industry and other industries to assist in understanding and measuring operating results. Adjusted 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. Adjusted EBITDA is tracked by financial analysts and investors to evaluate financial performance and is a key metric in business valuations. Adjusted 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 September 30		Nine months ended September 30	
	2020	**2019**	**2020**	**2019**
Net earnings	$ 153.3	$ 127.7	$ 383.8	$ 372.6
Corporate expense	12.3	18.1	30.3	47.1
Earnings in equity-accounted investments	(2.5)	(1.1)	(5.5)	(3.4)
Finance cost, net	16.4	19.5	49.4	62.1
Restructuring and other items	16.2	1.7	21.8	5.2
Income taxes	50.6	43.9	130.4	129.7
Operating income(1)	$ 246.3	$ 209.8	$ 610.2	$ 613.3
Less: Corporate expense	(12.3)	(18.1)	(30.3)	(47.1)
Add: Depreciation and amortization	87.1	82.1	259.4	246.2
Adjusted EBITDA	**$ 321.1**	**$ 273.8**	**$ 839.3**	**$ 812.4**

(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 September 30				Nine months ended September 30			
		2020		2019		2020		2019
Basic earnings per Class B Share	$	0.86	$	0.71	$	2.15	$	2.09
Net loss from restructuring and other items		0.07		0.01		0.09		0.03
Adjusted Basic Earnings per Class B Share	$	0.93	$	0.72	$	2.24	$	2.12

(4) Free Cash Flow from Operations is a measure indicating the relative amount of cash generated by the Company during a period 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 condensed interim statements of cash flows for the period ended as indicated.

Free Cash Flow from Operations Unaudited (In millions of Canadian dollars)		**Nine months ended September 30, 2020**
Cash provided by operating activities	$	551.4
Less: Additions to property, plant and equipment		(204.6)
Add: Proceeds on disposal of property, plant and equipment		14.3
Free Cash Flow from Operations	$	361.1

(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 Adjusted EBITDA.

		September 30, 2020
Unaudited (In millions of Canadian dollars)		
Current portion of long-term debt	$	63.9
Current lease liabilities		35.5
Long-term debt		2,186.9
Long-term lease liabilities		124.8
Total debt	$	2,411.1
Cash and cash equivalents		(760.2)
Net debt	$	1,650.9
Adjusted EBITDA for 12 months ending September 30, 2020 (see below)		1,094.1
Leverage Ratio		**1.51**
Adjusted EBITDA for 12 months ended December 31, 2019	$	1,067.2
less: Adjusted EBITDA for nine months ended September 30, 2019		(812.4)
add: Adjusted EBITDA for nine months ended September 30, 2020		839.3
Adjusted EBITDA for 12 months ended September 30, 2020	$	**1,094.1**

Supplemental Financial Information

Sales Change Analysis
Revenue Growth Rates (%)

	Three Months Ended September 30, 2020				Nine Months Ended September 30, 2020			
	Organic Growth	Acquisition Growth	FX Translation	Total	Organic Growth	Acquisition Growth	FX Translation	Total
CCL	4.2%	0.4%	0.9%	5.5%	(0.9%)	0.4%	(0.2%)	(0.7%)
Avery	(19.8%)	3.9%	1.8%	(14.1%)	(19.6%)	3.1%	1.5%	(15.0%)
Checkpoint	(8.5%)	0.7%	1.8%	(6.0%)	(17.3%)	0.6%	0.7%	(16.0%)
Innovia	(8.3%)	12.8%	3.1%	7.6%	(3.4%)	9.9%	1.6%	8.1%
Total	(2.5%)	2.2%	1.5%	1.2%	(5.9%)	1.8%	0.3%	(3.8%)

Business Description

CCL Industries Inc. employs approximately 21,700 people operating 188 production facilities in 42 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.